



MINUTES

of the General Meeting of Shareholders of SBM Offshore N.V.,
held on 14 May 2009 in Rotterdam

93 shareholders were either present or represented at the meeting, representing a total share capital of 35,474,165 in ordinary shares. 24.36% of the total issued capital was therefore represented. The Chairman concluded that the formal requirements had been met and that valid decisions could be taken.

1. Opening

The **Vice-Chairman** of the Supervisory Board, Mr. L.J.A.M. Ligthart, (hereinafter: the Chairman) opened the meeting at 14:30h and welcomed those present. He noted that Mr. Rothermund was unable to attend and chair the meeting due to personal circumstances. According to the articles of association, the Vice-Chairman would therefore chair the meeting.

The convening notice for the meeting had been placed on the Company's website, in Het Financieele Dagblad of 28 April 2009 and in the Official List of Euronext Amsterdam.

The Chairman appointed Ms. Smit-Haffmans, the Company Secretary, to act as secretary for the meeting and to prepare the minutes.

The minutes would be prepared in both Dutch and English. If there were differences of interpretation, the Dutch version would prevail. The minutes would be placed on the Company's website within three months of the conclusion of the meeting. It would then be possible to submit comments to the Secretary in writing within a period of three months, after which the minutes would be adopted and signed. If necessary, extracts could be made from the minutes prior to adoption. The resolutions adopted at this meeting and the associated votes cast will be posted on the Company's website from 15 May 2009.

The **Chairman** established, with the exception of Mr. Rothermund, that all other members of the Supervisory Board and the Management Board were present at the meeting.

The shareholders had been given the opportunity of submitting written questions in advance of the meeting. The Dutch Association of investors for Sustainable Development (Vereniging van beleggers voor Duurzame Ontwikkeling, or VBDO), who were also present, made use of that possibility. The questions that had been submitted would be dealt with after the presentation given by Mr. Mace.

At the meeting, the electronic voting facility would be used with regard to items for which this was necessary. A test vote would be conducted before the shareholders would be asked to cast their vote regarding the adoption of the 2008 financial statements.

To allow the meeting to operate efficiently, the **Chairman** drew attention to the following points:

1. As published in the media and on the Company's website, the Management Board had issued a Trading Update for Q1 2009 on 13 May 2009. Mr. Mace would deal with this briefly during his presentation, but the meeting's primary concern was the previous financial year; he would therefore not permit a lengthy discussion of the Trading Update press release.
2. Questions would be taken after the explanation of each agenda item. The Chairman

requested the representatives of the Dutch Investors' Association (Vereniging van Effectenbezitters, or VEB), Eumedion, VBDO or other organisations protecting investors' interests to limit the number of their questions in the first stage, so that other shareholders would also have the opportunity to speak.

3. The minutes would be prepared with the assistance of an audio recording. The **Chairman** requested all those wishing to ask questions to clearly indicate their intention to do so and, after they have been given the floor, to use the microphones provided. For reporting purposes, it was important that the shareholder's name and address (and if necessary, the organisation they represent) be clearly stated;
 3. The **Chairman** requested all those present to switch off their mobile telephones and keep them switched off until the end of the meeting.
2.
 - a. **Report of the Management Board relating to the 2008 financial year, and the discussion thereof.**
 - b. **Report of the Supervisory Board relating to the 2008 financial year, and the discussion thereof.**
 - c. **Discussion and adoption of the 2008 Annual Accounts (resolution)**

The CEO, Mr. **A. Mace**, gave a presentation on the progress of SBM Offshore in 2008 and the first months of 2009. The text of this presentation forms part of these minutes and is published on the Company's website.

The **Chairman** invited Mr. Mace to answer the written questions submitted by VBDO.

Mr. **Mace** replies that there were three main questions. The first main question was related to the process of publication of SBM's CSR report. The report was issued 2 days ago, and last year - which was the first year the company issued it - it was 2 weeks before the AGM. The question was to explain the reason of issuing the report this late. Mr. **Mace** replies that in fact SBM had the intention to issue the report before the AGM but the finalization process, took slightly longer than anticipated. SBM apologizes for this lateness. The question related hereto was if the CSR report will be issued in a timely manner next year. Mr. **Mace** answers that SBM is certainly determined to do that. The second main question was about the Code of Conduct. SBM's Code of Conduct forms part of contracts with its suppliers and subcontractors. The question was if SBM has implemented controls to be sure that SBM's suppliers and subcontractors comply. The first sub question was what the percentage of suppliers on which the controls are performed, is. Mr. **Mace** answers that in fact SBM has an approved suppliers list. Any supplier to SBM has to go through a pre-qualification process before they are added to the list. This pre-qualification includes all sorts of questions related to quality, Code of Conduct, safety issues and so on. Once suppliers are on the list, they have to re-qualify after 3 years. In case irregularities are found during the course of business, SBM will investigate and, if proven, required action will need to be taken by the vendor if they want to be maintained on the list. The second sub question related to this topic was what the results thereof are. Mr. **Mace** answered that SBM cannot disclose names of suppliers but has only qualified suppliers on its list. The third sub question related hereto was what the actions are, taken by the Company on non-compliance by suppliers. Mr. **Mace** answers that in fact on any non-compliance, SBM would issue a corrective action procedure to the supplier, which should be followed up by SBM's quality team, and if there is no improvement, SBM could revert to blacklisting the supplier or subcontractor. The fourth sub question related to this was if SBM Offshore offers training or support to adhere to the Code of Conduct and to contribute to the sustainability of it. And if yes, how many suppliers applied for the course, if not, why not. Mr. **Mace** answers that this is not part of SBM's procedure, as SBM believes this is a responsibility of its suppliers or subcontractors.

The third main question is related to a report issued by SOMO which states that controversial practices have been carried out by SBM Offshore in 2008, related to 2 projects, which actually have been delivered to SBM's clients in the meantime. The projects are one on Kashagan field in the Caspian Sea, and the other offshore Sakhalin Island. The report of SOMO states that the projects mentioned were controversial projects with a negative impact on the environment and the community as a whole. The fact that SBM Offshore participated in these projects without a clear policy to assure compliance of the projects with international standards such as the OESO directive, was a major concern of the VBDO. The

first sub question related to this was if SBM Offshore agrees with VBDO that the practices as described in the SOMO report are a financial as well as a sustainability risk for the organization.

Mr. **Mace** answers that the environmental requirements for oil field development projects are in fact the responsibility of SBM's clients, who in most cases have to go through an environmental impact assessment before sanctioning projects. This may determine certain technical requirements the customer implements in the technical specifications of the products which SBM supplies to them. Mr. **Mace** added that in that respect SBM believes that it is for its clients to fulfill their obligations concerning environmental impact. The second sub question related to this was whether SBM will in the future test the projects to the international standards of the OESO directive, and if not, why not. Mr. **Mace** answers that again SBM believes that it is the duty of its clients to comply with the regulations and to implement technical specifications into the products which SBM will supply to them in order to provide suitable systems for the environments in which they are operating.

The **Chairman** thanked Mr. Mace for his answers and noted that the list of questions and sub-questions was rather extensive. He asked shareholders present and wishing to ask questions to begin with three questions and to come back with additional questions later, once other questions had been answered.

Mr **Van Keimpema (VEB)** said that if three subjects were to be discussed at the same time and four written questions had been submitted, three questions for starters would not be sufficient. He needed more time in which to put questions. The first question concerned the reason for the cost overruns in two FPSO projects. Tenders had been submitted in 2005. The question was, were there no covering quotations from suppliers. The order was received in 2006 and it appeared that SBM no longer was in control of these orders. Secondly, he asked whether measures had been taken by Mr. Keller, who had since been appointed as a supervisory director. Thirdly, he asked what the organisation had learnt from the experience, and which independent expert had conducted the investigation. Now the outside world was being blamed, but he thought that in the first instance there had been serious errors made by the internal organisation.

The **Chairman** asked Mr. Mace to answer these questions.

Mr. **Mace** replies that the first question related to the problems SBM had with cost overrun on the projects, especially in the bidding phase in late 2005 and early 2006. In fact at that time, the situation in the outside market - and SBM does not blame it on the outside market entirely - was that prices from vendors or suppliers or subcontractors were rapidly increasing.

SBM had tendered for projects in 2005, but the process between tendering and the actual signing of awarded contracts took in some cases more than six months. The financial conditions of a tender are given at the time of issuing the tender but could have changed during the tender clarification process prior to signing the contract. Due to the global economic circumstances, which were booming at the end of 2005, early 2006, re-negotiations on vendor/supplier prices and availability or meeting delivery expectations were very difficult and in addition the financial conditions of the awarded contract were not flexible. Most suppliers, vendors or shipyards were contracted already by other parties and this had an impact for SBM in the execution phase of the awarded contract. Mr. **Van Keimpema** questions if there are contractual conditions covering these circumstances. Now SBM has the challenge that a tender was made under certain financial conditions but SBM was not able to maintain these financial conditions with the subcontractors. Mr. **Mace** answers that nowadays, the procedures have been tightened and that SBM takes suitable qualifications for price and validity time in its offers, which are not longer than what SBM can get from its suppliers and vendors. Back in 2005, that procedure was not so strictly enforced due to changing requirements during the bid clarification process. Mr. **Van Keimpema** asked what was the reason for this. Mr. **Mace** answers that SBM had procedures in place but there were complications on some tenders. Specifications changed, so SBM had to get back to vendors to get new prices for different equipment during the bid clarification period, different delivery times, and in the end SBM was faced with a number of main pieces of equipment which were not covered properly by price or delivery schedules,

which were reflected in the contracts signed with the clients. Mr. **Van Keimpema** concludes that the controls were not applied as expected and there were engineering problems. He supposes that this has had management consequences. At least Mr. Keller was in power at that time, and he was even appointed as Supervisory Board member. **Mr. Mace** answers that as a consequence, indeed some people have left the company.

Mr. **Van Keimpema** interrupts with the suggestion that the Chairman should reply on this, since Mr. Mace is the successor of Mr. Keller. Mr. **Ligthart** answers that as far as the internal organization is concerned, the Management Board did change a number of positions, but he will not provide any personal details. Secondly, the Supervisory Board very much insisted on keeping balance between the growth of the Company and the various instruments in the Company that keep track of the control system. Here SBM has to admit that the growth of the Company in a very turbulent time was so fast, that some of the controls did not work where they did work in the past. So SBM has been working in the last two years on upgrading the internal control, getting additional people in. As has been explained, SBM also got the benefit of the recommendations of an independent organization from outside, reviewing what has happened in these projects and implementing their suggestions and their conclusions.

Mr. **Van Keimpema** asked who had conducted the external audit. The **Chairman** replied that this had been done by Versatec. Mr. **Van Keimpema** asked if this has not been performed by the auditor. The **Chairman** replied that the external auditor only monitors the financial reporting and mainly the materiality thereof. They always report what has happened and the consequences thereof. But the internal business controls were there to prevent business getting out of hand. This had been strengthened last year.

Mr. **Van Keimpema** asked, if the improvement had started already in 2006, what the external expert who was mentioned for the first time in the 2008 annual report had done. He had two further questions regarding these orders. SBM had stated that an acceleration program had been implemented. Was this due to penalty clauses with customers or clients. Further, he read in last year's press release that part of the costs incurred had been taken into account as they would in all likelihood be paid by others. He asked whether this has been successful.

Mr. **Mace** replies on the acceleration program that indeed penalties have been included in the contracts. Even without such penalties SBM wants to try to perform as best as it can. Putting the acceleration program into place was necessary because of late deliveries of equipment and having to do work on board of a vessel that SBM would normally do at ground level. SBM had a lot of people working on the vessels to complete the work. On the cost recovery side, SBM had and has cost claims submitted to some of its clients. On those two particular projects one claim is resolved, and one is still being negotiated.

Mr. **Van Keimpema** noted that the report stated that the costs had been accounted for. Mr. **Mace** replies that SBM has taken into account what SBM considered to be a reasonable recovery from those negotiations.

Mr. **Van Keimpema** noted that the payments had not yet been received. **Mr. Mace** replies that SBM has confidence about the reimbursable amount.

Mr. **Van Keimpema** thought that it was the essential point that a company was in control of its projects to prevent material problems. SBM was developing the LNG FPSOs with Linde. He asked what the contracts contained. He asked how the FPSOs would be deployed in the exploitation of discovered oilfields where gas was found as a byproduct. A field would be exploited, and actually there would be two products. Could SBM benefit from this with the LNG FPSOs? Mr. **Mace** replies that no contract has been signed yet for an LNG FPSO. But for a first contract, SBM would most likely be looking for a contract on some sort of reimbursable type basis. On the second question, which was related to oilfield, gasfield and a byproduct, he replies that it is true that on some oilfields, a sufficient quantity of gas could be generated to provide the incoming product for an LNG FPSO. But SBM has not specifically targeted that type of application.

Mr. **Van Keimpema** referred to the bonus, pension and salary costs for the management on page 111 of the annual report. He asked for a further explanation of the high pension contribution for Messrs. Keller and Mace. He further asked whether consideration had been given to correcting the bonus for Mr. Keller in the light of the two unsuccessful FPSO projects that had been taken on under his management. He asked whether Mr. Keller had received a severance payment, and if so, how much was paid.

The **Chairman** asked Mr. Miles to answer the question about the pension for Messrs. Keller and Mace, and said that he would deal with the other two questions. Mr. **Miles** replies that the pension contributions are made fully in alignment with the pensions policy of the Company, which is part of the remuneration policy. Both Mr. Keller and Mr. Mace are covered by a defined benefits contribution scheme, based on final salary. Based upon the salary increases for both gentlemen and based upon the remaining time in service, there is a certain catch-up pension provision which needed to be put into the fund. Mr. **Van Keimpema** asked if the pension was based on final salary or average salary. Mr. **Miles** replies that it is based on final salaries. Mr. **Van Keimpema** noted that this was very expensive and that most Dutch companies were looking towards an average salary system. The **Chairman** replied that this was part of the compensation policy, which had moreover been discussed and approved at the shareholders' meeting. With regard to the other two questions, the Chairman replied that Mr. Keller had been paid the bonus that had been contractually agreed and no more. No form of severance payment whatever had been paid.

Mr. **Van Keimpema** stated that capex had clearly increased, and therefore risk had increased as well. Almost US\$1bn had been invested, mostly funded by external capital, nearly US\$700m. Interest expenses had doubled this year, and the return on capital employed had declined due to the increase in capital. He asked what was the Company's view regarding the future effects of this increase in capital. Raising external capital had negatively affected the balance sheet ratios, with a decline in solvency from 36% to 28.5%. He asked what was the situation with the banking covenants, and what was the target ratio. Finally he noted that the order book was well filled, but he thought he had heard Mr. Mace say that if the oil price remained so low there was the chance that orders would be cancelled. He asked if this was the case, and how solid the order book was if the oil price remained low.

The **Chairman** asked Mr. Mace to answer these questions.

Mr. **Mace** replies that SBM still had quite a big backlog as of the end of last year. In terms of projects as mentioned in the presentation, SBM has two projects which are actually delivered at the end of 2010. Of course these alone don't keep the whole Company busy with work. So SBM is very busy with tendering new projects. In spite of the fact that the lower oil price has certainly postponed projects, SBM does believe that there are a number of prospects which are currently being followed by the Company, which would bring fruits in the next part of the year.

The **Chairman** asked Mr. Miles to answer the question relating to the cash flow statement. Mr. **Miles** replies that the investment in the fixed assets was enormous in 2008, more or less the double of the level in 2007. But SBM will be back to roughly between US\$500 million and US\$600 million investments per year, based on projects SBM has in hand in 2009. There was very much a peak in capital investment in 2008. And of course to finance that, SBM increased her net debt accordingly. The interest charge and the cash interest have similarly almost doubled. The main bank covenant within the group is a net debt to EBITDA covenant, SBM has to remain below 3.75 times EBITDA. At the year-end it was 2.76 for that covenant, so that leaves around one times EBITDA space under the covenant. SBM will peak at the midyear 2009, still within what is required, and then this ratio will reduce during the second half of the year. The ratio will reduce for two reasons. One of them is obviously the slowdown in capex, SBM does not have to run as fast in the terms of capex as it did last year, and also because of the timing of payments of some of the large turnkey projects. For some of these projects SBM is spending a lot of money now, but the payments from the clients are awaited in the second half of 2009. Concerning the solvency ratio Mr. Miles states that the ratio indeed has come down quite significantly in 2008, largely

because there is an incidental adjustment to the equity level, due to accounting under IFRS. That impact is around a quarter of a billion US dollars. SBM hedges all its foreign exchange and interest rate exposure and has fixed exchange rates and interest rates going forward. The market value, given the developments in interest rates and exchange rates towards the end of the year has led to a significant unrealized loss on these hedging contracts, which has to be booked against the equity at year end. That represented US\$250mln and has a negative impact on the solvency ratio. Mr. **Van Keimpema** asked whether this was not charged to the income statement. The **Chairman** replied that under IFRS the changes in market value on hedging of foreign exchange and interest rate risks are charged to the equity if the risks are effectively hedged. When projects expire, the negative unrealised result will then be released out of the equity. Foreign currency and interest rate risks which are not hedged, are recognised in the income statement.

Mr. **Derks** had a question regarding the heart of the organisation, engineering. He had heard that there had been a large increase in employees in Asia and especially in Kuala Lumpur, whereby this had become one of the most important operation centres worldwide. He asked whether this could be expected to continue further and whether other operation centres would be established in Asia. Mr. **Mace** replies that indeed SBM does want to extend its operations in the Far East, in Kuala Lumpur, now and in the future. The other operation centers are in Holland, in America and Monaco. For future expansion SBM will certainly look to Kuala Lumpur.

The **Chairman** established that there were no further questions.

After a successful test vote, the **Chairman** proposed that the report of the Management Board for 2008 and the preface of the Supervisory Board should be noted, and proposed that the 2008 annual financial statements should be adopted and that this be put to the vote.

The Chairman established that the proposal regarding the adoption of the 2008 annual financial statements had been adopted with 32,413,448 votes for, 1,027 votes against and 3,059,186 abstentions.

The Supervisory Board expressed its appreciation for the policy pursued by the Management Board in 2008, and of course for the efforts of the employees of SBM Offshore N.V.

3. Adoption of a dividend based on the 2008 profit

As stated in the notes to the Agenda and with the approval of the Supervisory Board, the Management Board had decided to allocate part of the profits to reserves and to distribute part as dividend. To maintain flexibility in the balance sheet and the predictability of cash flows, with the approval of the Supervisory Board the Management Board proposed a dividend distribution of US\$0.93 per share. Exceptionally, the dividend will be paid 50% in cash and 50% in shares. Regarding the value of the share in Euros, it was determined that this will be calculated based on the rate of the US Dollar against the Euro as of today at 14:15h. The equivalent of US\$0.93 per share amounts to €0.69 per share, 50% of which would be paid in cash and 50% in shares.

Mr. **Miles** explains that the 50% portion of the dividend will be converted from the cash amount that the chairman has just mentioned into a number of shares, based on the average share price of the five days of next week, the 18th until the 22nd of May 2009.

Mr. **Vrijdag** asked what the current exchange rate was. Mr. **Schellevis** replied that the rate was established once daily by the European Central Bank. This was the reference rate. Today, the reference rate had been established at €1 to US\$1.3563. The **Chairman** explained that this corresponded to €0.69 per share. Mr. **Vrijdag** asked whether this meant that shareholders had gained or lost in Euro terms. The **Chairman** replied that the dividend in Dollars was the same as in 2007. Mr. **Vrijdag** noted that the annual report stated that the shareholders would not lose out in terms of dividend. In Dollars this was the case, however less would be distributed in Euro terms, so that the tactic had failed. The **Chairman** replied that it was not a question of tactics, it was simply the effect of the policy of distributing a Dollar dividend. Shareholders investing in SBM Offshore knew that they would receive dividend in Dollars. The dividend in the previous year was €0.60, so in that sense the

dividend in Euro was this year higher than in the previous year.

Mr. **Lang** asked if new shares would be issued. The Chairman replied that if shares are used for payment of dividend, new shares would be issued. Mr. Lang noted that this certainly constituted a dilution, so it would come out of shareholders' own pockets. The **Chairman** replied that if the dividend were paid in cash, this would also reduce the value of the Company, the share price ex-dividend decreases with an amount equal to the dividend. The same decrease occurs with a stock dividend but it would not cost the Company any cash. The value of the share always declines when a dividend is distributed, either because of a slight dilution or because cash would flow out of the Company.

Mr. **Hartman** asked whether SBM would repurchase shares in the market for dividend distribution. The **Chairman** replied that this was not the case, especially in the present situation in which the strength of every company's balance sheet and equity was under scrutiny, and that the Company currently had no plans to repurchase shares.

Mr. **De Wit** noted that the dividend was being distributed in a different form than in previous years, and that this appeared to be related to liquidity problems. He asked whether this was not due to the failure of the Management Board to foresee that liquidity problems could potentially occur. He asked whether it was not the case that the liquidity problem was caused by decisions made in 2005 and 2006, in other words the drive for growth which led to cost overruns and now to problems with liquidity management, which in turn led to the change in dividend. He asked if he would be correct in concluding that this was related to errors made at the drilling rigs. This had obviously led to disasters in risk management and now also in liquidity management. The **Chairman** replied that at the time of setting the dividend, this was not directly linked to any of the above developments. The balance sheet position at the end of last year was the result of a major investment in 2008, which was necessary to have more lease ships in the future which generate a high fixed income stream. Secondly, the dividend is based on the notable level of profit last year. Nevertheless, in view of the present credit crisis and tighter conditions for funding even for sound companies, a measure of caution was applied to maintain optimal flexibility for the Company. This was the reason for the fixed 50% shares portion. To relate this to the drilling rigs was not appropriate. The situation of the balance sheet at year end was the result of a combination of factors. The balance sheet was healthy, but in the light of the current situation it had been decided to take a cautious approach in respect of the dividend distribution method. Mr. **De Wit** stated that this was not satisfactory, liquidity management was a responsibility of the Management Board. The Management Board should have foreseen what demands would be placed on the Company's liquidity position. It was too easy to simply 'fiddle' the dividend. The Management Board could have also considered the sale of parts of the lease portfolio. The **Chairman** replied that this suggestion had serious strategic implications. Selling the lease portfolio to deal with a minor problem was not a debatable option, and would lead to a very different type of Company from that currently presented. Furthermore, it was mainly due to the situation in the financial markets over the previous year that led to the Management Board's more cautious approach. If the Management Board had not done this, it would possibly have been criticised for not being cautious enough. The Management Board also did not have a fully transparent insight into the crisis at its disposal.

Mr. **Van Keimpema (VEB)** asked whether the treatment of dividend this time had been at the request of the banks. The **Chairman** replied that this had already had been determined before it was possible to calculate how the peak in the middle of the year would turn out. The Management Board had taken action at the time for reasons of prudence. The banks had not approached or advised the Company in any way in this regard.

The **Chairman** concluded that there were no further questions, and moved to put this agenda item to the vote.

The Chairman established that the proposal regarding the distribution of the dividend for 2008 had been adopted with 34,426,164 votes for, 54,514 votes against and 993,156 abstentions.

4. Corporate Governance

As could be read by those present, a section in the annual report is devoted to Corporate Governance and Risk Management. In the first place, this describes the existing Corporate Governance and Risk Management structure and secondly, how the Company deals with the principles and best-practice provisions of the Dutch Corporate Governance Code. As stated in the relevant section in the annual report, SBM endorses the principles and best-practice provisions and observes them to the extent that this does not involve legal problems. As stated in the annual report, the articles of association of Stichting Continuïteit SBM Offshore have been amended to guarantee that this foundation can operate independently from the Company. A member of the Supervisory Board and a member of the Management Board were present at the meeting to amend the articles of association. They took part in the meeting, but did not have a right to vote. This has now been changed, and they will no longer take part in the meeting. Only the CEO would take part in the meeting to explain the development of the Company's business.

The amended Corporate Governance Code was published on 10 December 2008. The Company will study the amended Code during the course of this year, and a report will be submitted to the Supervisory Board on the significance thereof for the Company's Corporate Governance policy. A note will be provided on the matter at the Shareholders' Meeting held in 2010 relating to the year 2009. The 2009 annual report will focus on the implementation of the amended Corporate Governance Code.

Mr. **Van Seventer** asked how frequently were meetings of Stichting Continuïteit SBM Offshore held. Mr. **Mace** replied that the Stichting met twice a year.

The **Chairman** established that there were no further questions for this item.

5. Discharge of :

a. the Managing Directors for their management during the 2008 financial year (resolution)

Mr. **Van Keimpema (VEB)** stated that in view of the cost overruns and the situation as a whole, the VEB would abstain from voting.

The **Chairman** established that there were no further questions and put the item to the vote.

The Chairman established that the proposal to discharge the Managing Directors for their management during the 2008 financial year had been adopted with 33,934,044 votes for, 2,404 votes against and 1,535,699 abstentions.

There was a comment from the room that it was not right that the abstentions were not shown in the voting percentages. Mr. **De Monchy** explained that the percentages were not the issue, it was the number of votes. The percentages were relevant for certain matters. The method of their calculation would be established in the articles of association. Mr. **Van Keimpema (VEB)** thought that the percentages should not be shown at all on the screen, and that the Chairman should not record them. Only the number of shares counted. The **Chairman** agreed with this.

b. the Supervisory Directors for their supervision during the 2008 financial year (resolution)

Mr. **Van Keimpema (VEB)** stated that in view of the cost overruns the VEB would abstain from voting.

The **Chairman** established that there were no further questions and put the item to the vote.

The Chairman established that the proposal to discharge the Supervisory Directors for their supervision during the 2008 financial year had been adopted with 33,941,427 votes for, 3,463 votes against and 1,527,407 abstentions.

6. Composition of the Supervisory Board

a. Reappointment of Mr. R. van Gelder MA as a Supervisory Director (resolution)

As stated in the notes to the Agenda, the term of appointment of Mr. Van Gelder as a Supervisory Director would expire at the end of this meeting. After consideration, the Supervisory Board had decided to nominate Mr. Van Gelder for reappointment for a term of 4 years from the end of the meeting. The proposal and the grounds on which it was made were described in the notes to the Agenda.

Mr. **Van Keimpema (VEB)** asked whether Mr. Van Gelder would have sufficient time and attention available for SBM Offshore in addition to his position as CEO of Heijmans N.V. which he had recently accepted, and whether this point had been considered by the Supervisory Board. The **Chairman** replied that the Supervisory Board had indeed considered this point, and had established that Mr. Van Gelder would have sufficient time to contribute to the Supervisory Board of SBM Offshore. The Supervisory Board had therefore decided, also in the interests of preserving continuity within the Supervisory Board, to nominate Mr. Van Gelder for reappointment.

Mr. **Van Gelder** added that he had resigned a number of his supervisory directorships due to the serious commitment involved in his position at Heijmans. He is able to balance and manage his time effectively, and still wishes to make a contribution to SBM Offshore.

The **Chairman** established that there were no further questions and put the item to the vote.

The Chairman established that the proposal regarding the reappointment of Mr. Van Gelder MA as a Supervisory Director had been adopted with 34,013,293 votes for, 241,605 votes against and 1,217,289 abstentions.

7. Amendments of the Company's articles of association (resolutions)

As stated in the notes to the Agenda, the Management Board, with the approval of the Supervisory Board, proposed to amend the articles of association. The reasons for this were to bring the articles into line with various changes to legislation that had taken place in Dutch law. The so-called "tritych" contained both the proposed amendments and the associated notes. Once the shareholders had approved the proposed amendments, the triptych and the full text as this would read would be available from the Company, the Royal Bank of Scotland and the Company's website. Copies were also available in the reception area. Since the amendments are divided into four categories, the Chairman would state them one by one and invite questions before putting them to the vote. Mr. De Monchy, the Company's civil-law notary, was also available to provide further explanation if necessary.

a. Proposal to extend the authority of the Supervisory Board, as indicated in items o and p of Article 16.6 and the proposed amendment to Article 16.8 of the articles of association.

Mr. **Van Keimpema (VEB)** asked what was the reason for proposing to extend the authority of the Supervisory Board, and whether this was due to a statutory requirement.

Mr. **De Monchy** replied that it was not a statutory requirement, but it was more appropriate in the context of today's governance and was intended to give the Supervisory Board more flexibility. Mr. **Van Keimpema (VEB)** asked whether the proposal had consequences for the shareholders. Mr. **De Monchy** replied that the proposal had no consequences for the shareholders. Mr. **Van Keimpema (VEB)** asked if there were implications for the publication of convening notices for Shareholders' Meetings. Mr. **De Monchy** replied that this was a different proposal; there had been an unusually large number of changes to legislation, most of which related to rules imposed by Brussels. Further proposals to amend the articles of association were expected next year. Mr. **Van Keimpema (VEB)** asked with reference to the proposal on communication whether it would also be established that the convening notice would be published in the national daily press. Mr. **De Monchy** replied that this was not prescribed by law, but it was compulsory on the basis of the Euronext regulations. Mr. **Van Keimpema (VEB)** wished to be reassured that this obligation would be maintained in the interests of both the shareholders and SBM. Mr. **De Monchy** replied that this option would always be available and that he could not imagine why SBM would not do this if the shareholders requested it. The **Chairman** agrees; the request would certainly be accepted

as it was completely reasonable.

There was a further comment from the room relating to the discussion of the mentioning of voting percentages, that in the new articles of association Article 36.5 states that blank votes, invalid votes and abstentions would be treated as not cast. This meant that the percentages as stated by the Chairman in relation to previous agenda items were correct.

The **Chairman** established that there were no further questions and put the item to the vote.

The Chairman established that the proposal to extend the authority of the Supervisory Board as indicated in items o and p of Article 16.6 and the proposed amendment to Article 16.8 in the articles of association had been adopted with 35,471,450 votes for, 575 votes against and 200 abstentions.

b. Proposal to amend the articles of association in line with changes implemented in Dutch legislation by the introduction of the possibility of electronic communication, the amended Corporate Governance Code and the EU Transparency Directive, as proposed and explained in the above-mentioned triptych and in particular in Articles 18.1, 22.4, 22.5, 26.10, 28.2, 28.3, 31.5, 32.2, 34.1, 34.7 and 36.7.

Mr. **Van Keimpema (VEB)** repeated his question regarding the retention of the obligation of publication in daily newspapers, in the interests of the shareholders and the Company. This was currently compulsory on the basis of the Euronext regulations, but he urged that this should be retained even if it became no longer compulsory under these rules. The **Chairman** repeated his undertaking that the request would be met. It appeared to be completely reasonable and would certainly be given attention.

The **Chairman** established that there were no further questions and put the item to the vote.

The Chairman established that the proposal to amend the articles of association in line with the changes implemented in Dutch legislation by the introduction of the possibility of electronic communication, the amended Corporate Governance Code and the EU Transparency Directive, as proposed and explained in the above-mentioned triptych and in particular in Articles 18.1, 22.4, 22.5, 26.10, 28.2, 28.3, 31.5, 32.2, 34.1, 34.7 and 36.7 had been adopted with 35,421,724 votes for, 0 votes against and 501 abstentions.

c. Proposal to amend the articles of association by deletion of Article 29.5

The **Chairman** established that there were no questions and put the item to the vote.

The Chairman established that the proposal to amend the articles of association by deletion of Article 29.5 had been adopted with 35,421,376 votes for, 1,325 votes against and 1,161 abstentions.

d. Proposal to amend the articles of association outside the above-mentioned categories as stated in the triptych. These proposals concerned technical amendments as described in the triptych in Articles 2, 4.7, 6.4, 17.2, 30.2, 36.1 and 37.3-37.6.

The **Chairman** established that there were no questions. He noted that when voting in relation to this item, the shareholders would also be voting to grant the authority, as described in the note to this Agenda item, to implement the adopted proposals for amendments to the articles of association. He put the item to the vote.

The Chairman established that the proposal to amend the articles of association outside the above-mentioned categories as stated in the triptych, technical

changes as described in the triptych in Articles 2, 4.7, 6.4, 17.2, 30.2, 36.1 and 37.3-37.6 had been adopted with 35,421,078 votes for, 1,686 votes against and 1,170 abstentions.

The Chairman concluded that all proposals had been adopted and that the articles of association would be amended accordingly.

8. Reappointment of KPMG Accountants N.V. as the Company's auditor.

The Audit Committee and the Management Board had discussed the tasks carried out by the auditors for the 2008 financial year at length. The Supervisory Board proposed, on the recommendation of the Audit Committee and in consultation with the Management Board, that KPMG Accountants N.V. should be appointed as the Company's auditor for the 2009 financial year for one year from the date of this meeting. The 2008 fees were stated in the annual report. In 2008 non-audit-related costs amounted to 26% of the total fees charged by KPMG.

The Chairman established that there were no questions and put the item to the vote.

The Chairman established that the proposal to reappoint KPMG Accountants N.V. as the Company's auditor had been adopted with 34,408,177 votes for, 47,504 votes against and 1,018,242 abstentions.

9. Authorisation to repurchase ordinary shares.

It was proposed that the Shareholders' Meeting should grant the Management Board, after approval of the Supervisory Board, the authority to repurchase a maximum of 10% of the issued shares. The authority would apply for a maximum period of 18 months from today's date and for a purchase price per ordinary share that is not more than between one euro cent (EUR 0.01) and 110% of the average closing price per ordinary share as quoted on Euronext Amsterdam and calculated over the five trading days immediately preceding the day of purchase.

As explained in the note to the Agenda, the delegation of this authority would give the Management Board the necessary flexibility to manage its net assets and to be able to meet the normal demand for shares in the Company's capital.

The Chairman established that there were no questions and put the item to the vote.

The Chairman established that the proposal to grant the authority to repurchase ordinary shares had been adopted with 34,237,995 votes for, 236,824 votes against and 991,141 abstentions.

10. Delegation of authority to:

a. Issue ordinary shares

The proposal was to grant the authority to the Management Board to, after obtaining the approval of the Supervisory Board, issue ordinary shares or to grant the right to acquire ordinary shares up to 10% of the Company's issued share capital, in order to finance the Company and to provide for the share plan. In addition a further delegation of authority was requested for the issuance of ordinary shares or the granting of the right to acquire ordinary shares of a further 10% of the Company's issued share capital for the Management Board after having obtained the approval of the Supervisory Board. This authority would give the Management Board flexibility in the event of possible acquisitions and mergers. These authorities were requested for a period of 18 months from today's date.

The Chairman established that there were no questions and put the item to the vote.

The Chairman established that the proposal to grant the authority to issue ordinary shares had been adopted with 32,186,946 votes for, 2,287,873 votes against and 991,145 abstentions.

b. Restrict or exclude the pre-emptive rights upon the issue of new ordinary shares and/or the granting of rights to subscribe for new ordinary shares.

The proposal was to grant the Management Board the authority after obtaining the approval of the Supervisory Board to limit or exclude pre-emptive rights upon the issuance of ordinary shares or the granting of rights to subscribe for shares for a period of 18 months from today's date.

The **Chairman** established that there were no questions and put the item to the vote.

The Chairman established that the proposal relating to the limitation or exclusion of pre-emptive rights upon the issuance of ordinary shares and/or the granting of rights to subscribe for ordinary shares had been adopted with 30,376,011 votes for, 4,098,583 votes against and 991,143 abstentions.

11. Proposed adjustment to the SBM Offshore Senior Management Long-Term Incentive Plan.

With the approval of the Supervisory Board, the Management Board was proposing to replace the current Share Option plan with a long-term share plan for senior management and key officers of the company. The conditions applying to this plan were stated in the notes to the Agenda.

Mr. **Van Keimpema (VEB)** stated that the VEB had no problem with the vesting of options, but asked why a period of three years had been chosen rather than the five years stated in the Tabaksblat Code. Mr. De Monchy replied that this provision in the Tabaksblat Code applied to directors and not to senior management. The Tabaksblat Code did not apply to senior management, and therefore the proposal complied with the code. Mr. Van Gelder further explained that the plan under discussion did not involve options, it was a share participation plan.

The **Chairman** established that there were no further questions and put the item to the vote.

The Chairman established that the proposal to amend the SBM Offshore Senior Management Long Term Incentive Plan had been adopted with 32,314,463 votes for, 2,154,439 votes against and 996,752 abstentions.

12. Distribution of information to shareholders by way of electronic means of communication

Due to the introduction of the Transparency Directive in Dutch legislation, it is possible to provide information to shareholders or persons entitled to attend a shareholders' meeting, as long as this is approved by the general meeting of shareholders.

Mr. **Hartman** asked whether this would take place via the computer system. The **Chairman** explained that the proposal allowed for information to be provided via the computer system, and also exclusively via this channel, but in view of the request made several times today regarding publication of information in the written media, this would be considered in each case. Mr. **Hartman** asked whether the minutes of this meeting would be distributed to shareholders. The **Chairman** replied that the minutes would be published on the website, and that shareholders could at all times request excerpts and also copies of the report. The draft minutes could also be sent to shareholders who so requested this from the Company Secretary.

The **Chairman** established that there were no further questions and put the item to the vote.

The Chairman established that the proposal relating to the use of electronic communication for the provision of information to shareholders had been adopted with 35,459,800 votes for, 6,111 votes against and 0 abstentions.

13. Any other business

Mr. **Vrijdag** complimented the Company on the realised result. He was a certified shareholder, and asked for an explanation of the in his opinion cryptic statement on page 9

of the annual report, the expectations for 2009, in particular the first two paragraphs¹. He furthermore asked if the Chairman wished to measure the interest in a visit to the Company by means of a vote. The **Chairman** acknowledged the last request and invited Mr. Mace to answer the first question.

Mr. **Mace** replies that the first bullet point relates to the current situation with a low oil price and economically uncertain conditions, which lead some of SBM's clients to hesitate or delay going ahead with projects. Of course SBM is chasing a number of new projects, and in normal circumstances these projects would be awarded once tenders were received from contractors like SBM and then the projects would proceed. But when the oil price was low, it obviously dropped very quickly at the end of last year, a lot of oil companies started to hesitate and postpone their decision. While the current oil price is still low, the companies will continue to hesitate in placing orders. As mentioned earlier in the meeting, SBM has a number of prospects, so SBM does have some hope that some of these projects will start to move towards the second half of the year. He asks Mr. Miles to explain the second bullet point. Mr. **Miles** explains that the Earnings Before Interest and Tax, which is the operating profit from those units, is expected to be close to the level achieved in 2008.

The **Chairman** replied that the proposal to measure the interest in a company visit did not require a resolution that had to be submitted to this meeting. He would note the request and give it consideration. He noted however that the only operation that would be interesting to visit would be the ship-building in Dubai, Brazil and Singapore, however the likelihood of such a visit was minimal.

Ms. **Gielen** was attending a meeting of shareholders of SBM for the first time. The annual report did not state any personal information or the appointment date of the Management Board. She asked if this could be included.

The **Chairman** said that this information would be included in the annual report from now on, and that in the meantime it was available on the Company's website.

Mr. **Wiisenbeck** asked with reference to the statement on page 79 of the annual report, Green Power Generation, whether this was merely window-dressing or whether it concerned something more serious. He was convinced of the need for clean energy in the future, with wind and tidal energy playing an important role. He understood that this matter could not be discussed at length here, but asked if more attention could be devoted to it next year.

Mr. **Mace** replies that this is something SBM is seriously studying. This has been an ongoing project for a couple of years, looking at different technical options. Some model tank testing for wave energy conversion seems to be successful. During 2009, SBM is developing this option to help change course to another type of energy recovery systems. It looks relatively promising. The next step is to do some more testing, by the end of the year. If that proves to be successful, a prototype unit will be deployed somewhere in the coastal waters. For the Company it is interesting, because this type of energy could develop into a large array of devices for recovering energy and there are some subsidies provided by countries on such energy. If possible, more on this subject will be provided at next year's AGM. For the moment information can be found in SBM's Corporate Social Responsibility Report.

Mr. **Laan** read an article in the FD which contained details of a fire that took place at the location in Abu Dhabi in March. Among other things, this stated that the Company considered it unlikely that the insurer would pay consequential damages. He asked whether that meant that the consequential damages had not been foreseen or insufficiently identified, or is it based on a particular policy relating to insuring consequential damages or not.

Mr. **Mace** replies that indeed the direct damage caused by the fire is covered by the insurance policy but consequential loss damages are not covered.

Mr. **Laan** asks whether SBM never insures consequential damages. Mr. **Mace** replies that in general this is not covered as it could be completely open ended from the insurers' point of view. Of course SBM will try to recover as much as possible.

¹ In the current economic climate, awards of a number of oil and gas projects targeted by the Company in 2009 are likely to be delayed. As a result the Company is not in a position at this time to provide net profit expectations for full-year 2009; • EBIT contribution from the Lease and Operate segment is expected to be close to the level achieved in 2008, excluding the impact of non-recurring items.

The Chairman explained that the situation here was a construction period and was not a business in operation, in which case coverage for business interruption is possible. This type of insurance was unbelievably expensive, without being able to precisely define what consequential damages are.

14. Close

The Chairman thanked those in attendance for coming and for their input, and closed the meeting.