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1 Message from the board

SBM Offshore N.V. ("SBM") is committed to conducting its business honestly, ethically, and lawfully. As part of this commitment, SBM opposes business corruption in all its forms. Doing business the right way is good business and good for our business. Please do your part to promote good and ethical business on behalf of SBM. This Anti-Corruption Policy & Compliance Guide is designed to help you understand the problem of corruption and how to avoid and prevent corrupt business practices in your day to day work.



Sincerely,

A handwritten signature in blue ink, appearing to read 'Bruno Chabas', written over a horizontal line.

Bruno Chabas
Chief Executive Officer

On behalf of SBM Offshore N.V.'s Board of Directors

2 How to use this Guide

This Anti-Corruption Policy & Compliance Guide (along with SBM's Code of Conduct) is designed to help you comply with our anti-corruption standards. It reflects SBM's commitment to fight corruption in all its forms and to ensure that SBM's standards are consistent with industry best practice and international norms.

The aim of the Anti-Corruption Policy & Compliance Guide is to provide SBM personnel with clear rules and guidance on the subject of corruption by:

- identifying our anti-corruption standards;
- describing how these standards translate into practical procedures; and
- explaining what each of us needs to do to comply with those standards and procedures.

This Guide does not purport to address every situation you may encounter in your day-to-day working life. If you ever have any questions or doubts regarding this Guide, the specific anti-corruption policies or any other issue or situation where you suspect that corruption may be occurring, you are urged to contact SBM's Compliance Officer without delay.



3 What is corruption and why are we against it?

Corruption is the term used to describe illegal behaviour which enables individuals in power to misuse their official position for personal gain. Corruption may include criminal activity such as bribery, extortion and the related offence of money laundering. Corruption has a corrosive effect on civil society - it undermines the rule of law and is contrary to universal principles of fairness and justice. It also damages trade and commerce by attacking free and fair competition.

Corruption is a major hindrance to sustainable development because it diverts funds away from social needs. Corruption has a disproportionate impact on poor communities and the institutions which are supposed to protect them. In addition, if allowed to flourish, corruption ultimately deters respectable companies from trading with countries where it is prevalent. Global companies, including those with whom we do business, are increasingly concerned to protect their reputations by ensuring that they are not exposed to allegations of corruption.

For the above reasons, many jurisdictions within which SBM operate (including Europe and the United States) have made it a priority to eradicate corruption. This initiative is being pursued by:

- the increasingly aggressive enforcement of anti-corruption laws on both the national and international stage;
- the imposition of record fines and criminal sanctions on companies by regulators and authorities; and
- the imposition of prison sentences and other criminal penalties on company directors and employees.

These are developments that we must face up to and respect.

Moreover, fighting corruption is simply the right thing to do. SBM's management and employees have a legal and ethical obligation to reject corruption in all its forms. This means that SBM must actively seek to comply with the anti-corruption laws in force in all those countries where it conducts business. This Guide will help you understand your role and how you can help SBM achieve its objectives in this regard.

4 What is your role?

For SBM to achieve its anti-corruption objectives, it is important that every director, officer, and employee (including throughout this Guide contractor staff) makes ethical business decisions and ensures that his or her actions are consistent with the law, SBM's Code of Conduct, and relevant SBM policies. This means that you need to read, understand, and commit to the principles and standards set out in this Guide.

In addition, SBM needs to take steps to ensure that third parties acting on our behalf, such as consultants, intermediaries and joint venture partners, also comply with our standards. You play an important role in communicating these standards to third parties, monitoring their compliance, and reporting any issues in accordance with the procedures in this Guide (see section 8).

SBM operates worldwide in an increasingly globalised economy. This means that SBM, employees and third parties acting on SBM behalf, may be subject to the laws and regulations of numerous countries and legal regimes. Each of us is responsible for knowing and following the laws that apply to us where we work. The Legal Department is here to assist you in understanding the legal environment in which you operate.

SBM's Code of Conduct and this Anti-Corruption Policy & Compliance Guide set out standards and procedures that apply throughout the SBM Group, regardless of location. However, where a conflict exists between any local law or regulation and SBM's Code of Conduct and/or this guide, you must follow the rule that sets out the highest standard of behaviour. If you have any questions or are uncertain about how you should proceed in a given situation, you should seek advice from the Compliance Officer.



5 What are the Specific Policies for Mitigating Particular Types of Corruption Risks

SBM does not tolerate bribery, extortion, fraud, or money laundering.

This section of the Anti-Corruption Policy and Compliance Guide explains how SBM's anti-corruption policy translates into the practical procedures that each of us needs to follow in order to comply with these policies.

5.1. Gifts, Hospitality and Entertainment (GHE)

Providing gifts, hospitality or entertainment is often considered a form of courtesy and is common in everyday business. However, in some circumstances it may also be a form of bribery, particularly when it is used to induce favourable treatment (e.g. in the context of a tender process or competitive bidding exercise, obtaining a travel visa or customs clearance, or approval for a safety inspection).

"Gifts, hospitality and entertainment" ("GHE") include anything of benefit provided free of charge or at a charge less than market value, including (but not limited to) cash or cash equivalents, offers of employment, discounts or free tickets to events, loans or other securities, prizes, gift certificates, transportation, travel, use of vacation facilities, lodging, meals, and/or assistance obtaining a visa to enter a country.

SBM's Standard

No director, officer or employee of SBM, or any third party acting on our behalf, may directly or indirectly offer, promise, give (or authorize the offering, promising or giving of) money or anything else of value to any other party, including a Public Official, in order to obtain an improper advantage or otherwise seek to influence or induce the other party to provide or procure a business advantage to SBM or otherwise perform improperly their employment or official duties in such a way as to benefit SBM.

"SBM branded gifts" refers to the selection of items in the SBM branded gift catalogue.

The giving or providing of GHE must be done in compliance with the rules set out in this Guide as well as with applicable local law and regulations. You must follow whichever is the most restrictive policy. You must obtain approvals, from your Manager and the Compliance Department for all relevant transactions, as described in Section 5.5. All requests for approval must be processed through SBM's on-line e-Hospitality Compliance tool, available on the Company's Intranet site under the heading Services/ e-Hospitality Compliance.

Particular care must be taken in all dealings with Public Officials. As discussed in this Guide, many countries have laws addressing interactions with Public Officials. A broad range of people are considered to be Public Officials in the context of anti-corruption laws. The term "Public Official" (or similar) generally refers to any:

- i. Officer or employee of a government entity or public international organization, or any department or agency of such an entity or organization;
- ii. Officer or employee of a government-owned or controlled company (including a company partially owned by the government);
- iii. Political party or political party official;
- iv. Candidate for political office;
- v. Member of a royal family;
- vi. Anyone acting in an official capacity on behalf of any of the foregoing (whether paid or unpaid);
- vii. Officer or employee of a public international organisation (or any department or agency thereof); and
- viii. Officer or employee of a government-owned or government-controlled commercial organisation (such as state-owned oil companies or hospitals).

This definition includes relatives and close friends of Public Officials.

5 How to deal with different forms of corruption (continued)

5.1.1 Requirements for all GHE

GHE, which have been properly documented and approved in accordance with the GHE Approval and Accountability Matrix in Section 5.5 and that meet the standards set forth in section 5.2, as applicable, are permitted.

Receiving or giving any GHE other than as permitted in this Guide is forbidden.

All GHE expenses must have all of the following characteristics:

- expressly authorized under applicable Company policy;
- not be motivated by a desire to exert improper influence;
- given without any expected or implied obligation or reciprocation, favor or action in return;
- be non-lavish and reasonable and customary under the circumstances, including based on local standards;
- be tasteful and commensurate with the standards of professional courtesy;
- comply with the local laws that apply to the recipient
- not result in a violation of (i) the recipient's organization's internal rules and policies, or (ii) any contract between the Company and the recipient's organization or government; and
- never provided so frequently as to create an appearance of impropriety.

More specific requirements for the different types of business courtesies are discussed in the sections below. All GHE expenses must be reviewed and approved as discussed in section 5.5.

5.1.1.1 Gifts

This policy applies to any gifts you give or receive in the course of your work, including during the festive seasons, like New Year's or Mid-Autumn festivals in China, Christmas, or any other gift-giving occasions.

In addition to the general requirements in section 5.2 above, all gifts must be:

- non-lavish and reasonable in both nature and value;
- presented as a social courtesy; and
- not provided in connection with (i) any specific sale, or (ii) a decision, act or omission by the recipient in connection with a sale of SBM's services – other than promotional gifts given in connection with, for example, a contract closing ceremony.

SBM prohibits monetary gifts, including the giving or receiving of gifts involving cash or a cash equivalent. In particular, gifts of cash or cash equivalents are NEVER appropriate.

SBM pre-orders reasonable, nominal value SBM branded items such as pens, USB key stick, scarves etc. Promotional items bearing SBM's logo are generally considered to have less commercial value and to be more closely related to the company's business, and are considered to be "reasonable". You are encouraged to select a SBM branded gift when you wish to give a gift. SBM has a selection of SBM branded gifts that must be ordered through the e-Hospitality Compliance tool.

Should you wish to give a non-branded gift over US\$ 50 please seek approval from your Manager and the Compliance Department using the e-Hospitality Compliance tool. Giving non-branded gifts valued under US\$ 50 requires Manager approval only.

Once a year the Communications Department shall pre-order SBM branded gift for the gift catalog and orders will be managed through designated persons at each execution centre.

All gifts must be provided in accordance with this Guide. All requests for approvals to give or receive gifts must be documented through SBM's on-line e-Hospitality Compliance tool.

5 How to deal with different forms of corruption (continued)

5.1.1.2 Hospitality, Travel and Related Expenses

When considering whether providing hospitality, travel and related expenses is appropriate or the type of hospitality to provide, you should avoid any appearance of impropriety and generally not provide hospitality connection with (i) any specific sale, or (ii) a decision, act or omission by the recipient in connection with a sale of SBM's services.

Travel and accommodation guidelines that apply to SBM employees apply equally to all guests, including Public Officials. Please liaise with the Travel Department in this regard.

In addition to the general requirements in section 5.2 above, all travel and related hospitality expenses must be:

- provided in connection with a bona fide and legitimate business purpose;
- related to the:
 - a. promotion, demonstration or explanation of products or services; or
 - b. execution or performance of a contract; and
- paid directly to the airline, hotel or other service provider whenever possible.

Per diem payments are strongly discouraged, unless permitted by local laws and regulations for Public Officials.

When providing travel or travel-related hospitality expenses, you must obtain approval as described in the Approval Authority Matrix in Section 5.5. Travel, overnight accommodations and related expenses for Public Officials require the authorisation of the Managing Director of the relevant Execution Centre and of the Compliance Director and may only be incurred in certain specified circumstances and in compliance with the above criteria. All hospitality and overnight accommodation over US\$ 100 for any third parties, whether or not re-billable, requires approval and must be recorded in accordance with this Guide.

5.1.1.3 Meals and Entertainment

This policy applies meals and/or entertainment that you provide or receive in the course of your work, including during negotiations, promotional meetings and the festive seasons.

In addition to the general requirements in section 5.2 above, all meals and/or entertainment expenses must be:

- provided in the normal course of business;
- provided in connection with a legitimate business purpose;
- paid directly to the restaurant, hotel or other service provider whenever possible;
- for entertainment, properly recorded through the "e-Hospitality Compliance" and reimbursed through an employee expense report but never recorded solely through an employee's expense report; and
- not prohibited under Section 5.3.

In addition to these criteria, you must use your good judgement when offering or accepting entertainment or meals. Lavish meals or inappropriate entertainment should always be avoided. Entertainment, such as tickets to a sports event, without any accompanying SBM employees, is considered a gift, and is subject to the requirements set out above. Costs should remain modest under local standard.

All hospitality and entertainment must be provided in accordance with this Guide. All requests for approvals must be documented through SBM's on-line e-Hospitality Compliance tool. Any hospitality expense for an individual Public Official must be approved in advance through the e-Hospitality Compliance tool and in accordance with the GHE Approval and Accountability Matrix.

5 How to deal with different forms of corruption (continued)

5.1.1.4 Travel and hospitality under contract

Contract provisions requiring the company to provide travel or, travel-related hospitality should be avoided wherever possible. However, where a contract requires SBM to bear the cost of meals, travel and / or accommodation for meetings associated with the performance of a project, the responsible Project Manager or Department Manager must ensure:

- All travel and hospitality is provided within the contractual limitations imposed by the contract.
- All travel and hospitality has received the required approvals as determined under the contract and has been properly recorded through the e-Hospitality Compliance.
- All meals, travel and accommodation serve a legitimate business purpose and comply with the requirements in the applicable sections of this Guide.
- Hospitality expenditures comply with the policies as stated in this Guide and in SBM's Travel Policies.

5.1.2 What is prohibited?

You may not under any circumstances offer or accept GHE, including meals, travel or related expenses, directly or indirectly, that involve:

- Special, luxurious or extravagant events (e.g. all expense trips to sporting or entertainment events such Formula 1 Grand Prix, etc.);
- GHE provided during periods when important business decisions are being made and such gifts or entertainment might influence or appear to influence the decision making process;
- Cash or cash equivalents;
- GHE provided by a tenderer during the course of an on-going tender or competitive bidding process;

- Giving or receiving GHE with intent to obtain improper advantage;
- Overly-frequent giving or receiving of GHE;
- Illegal GHE that are inappropriate in nature or in an inappropriate venue;
- GHE that have been personally paid for to avoid having to report or seek approval; or
- GHE where you would be uncomfortable if publicized to your colleagues, supervisors and customers.

Employees should use good judgement and return improper gifts to third party. If this is not possible, the Compliance Department shall deal with it appropriately, either by retaining the gift or giving it to charity (either itself or money from its sale).

5.1.3 How are GHE recorded: e-Hospitality Compliance Tool

Before accepting or offering any GHE you must obtain approval in accordance with the GHE Approval and Accountability Matrix in Section 5.5. The GHE also must be recorded using the on-line e-Hospitality Compliance tool. This on-line tool was specially developed to ensure compliance with applicable laws and policy and to assist in the approval and tracking of GHE. You can find the e-Hospitality Compliance tool on SBM's Intranet under the headings Services/ e-Hospitality Compliance.

The failure to obtain the appropriate approvals as set-out in the GHE Approval and Accountability Matrix in Section 5.5 of this Guide may result in non-reimbursement of expenses and/or disciplinary sanctions.

5 How to deal with different forms of corruption (continued)

5.1.4 GHE Approval and Accountability Matrix

All GHE, given or received, must be approved according to the following matrix. If you have any questions, you must contact the Compliance Department.

Giving	Approval and recording required	
	Requesting Party's Manager	Compliance Department
SBM branded gifts		
Gifts <US\$ 50 per item	✓	
Gifts >US\$ 50 per item	✓	✓
Giving gifts to Public Officials	✓	✓
Hospitality and entertainment <US\$ 100 per person	✓	
Hospitality and entertainment >US\$ 100 per person	✓	✓
All hospitality and entertainment with Public Officials	✓	✓
All meals with Public Officials	✓	✓
Meals other than with Public Officials	Use good judgement for business related meals. Ensure meals are accurately recorded through expense reports.	

Receiving	Approval and recording required	
	Requesting Party's Manager	Compliance Department
Gifts <US\$ 50		
Gifts >US\$ 50	✓	✓
Hospitality and entertainment <US\$ 100 per person		
Hospitality and entertainment >US\$ 100 per person	✓	✓
Meals	Use good judgment when accepting business meals.	

5 How to deal with different forms of corruption (continued)

Case Study: Business Meals and Entertainment

What to do when:

You are disputing an external business partner's latest invoice. As you both have very busy agenda, your business partner offers to discuss the disputed invoice over dinner. You meet at a nice, but not outrageously priced restaurant. You discuss many things, including the invoice and several recent operational issues. At the end of the dinner, your external business partner invites you to go to the World Cup with him, paid for by his company.

General Do's and Don'ts:

Do:

- ✓ Ensure that there is a legitimate business purpose for the get-together.
- ✓ Review the guidelines in this section 5.
- ✓ Obtain approval in accordance to the GHE Approval and Accountability Matrix in Section 5.5 and record the gift, travel or hospitality using the e-Hospitality Compliance tool.

Don't:

- ✗ Give or accept GHE that make you feel uncomfortable or which you would not want made public.
- ✗ Give or accept GHE that might compromise or appear to compromise impartial decision making (e.g. all expense trips).
- ✗ Give or accept GHE that is immodest or otherwise exceeds the prescribed limits in this Guide.
- ✗ Give or accept GHE that could result in the perception that such GHE influenced your business decision, or caused others to be influenced.

5 How to deal with different forms of corruption (continued)

Case Study: Interactions with Public Officials

What to do when:

The company is currently bidding for a project with a national oil company ("NOC") in a new country. The NOC requests that you organize a tour of your engineering offices in Europe, U.S. and South America to enable its experts to inspect the premises to ensure that they are suitable for a project of this magnitude. You are expected to pay for the experts to fly in first class, accommodate them in four / five star hotels near the company's offices, and to entertain them.

General Do's and Don'ts:

Do:

- ✓ Review this section 5 of this Guide.
- ✓ Ensure that there is a legitimate business purpose.
- ✓ Ask yourself if this could result in an improper business advantage being obtained.
- ✓ Check if these experts/invitees are Public Officials.
- ✓ Ask the experts for a written description of the scope and purpose of the inspection and for written reports following the inspections.
- ✓ Obtain approval in accordance to the GHE Approval and Accountability Matrix for the GHE.
- ✓ Seek advice, guidance and approval, as applicable, from the Compliance Department.
- ✓ Record the expenses using the e-Hospitality Compliance tool.
- ✓ Decline any request for an improper benefit by referring to SBM's internal standards, SBM Code of Conduct and Anti-Corruption Policy & Compliance Guide.

Don't:

- ✗ Arrange any travel or hospitality that exceeds SBM's internal standards (which exclude first class travel and luxury hotels).
- ✗ Agree to make payments, or to give gifts or hospitality of high value to a Public Official personally.
- ✗ Allow the circumstances or the pressure of the Public Official to influence your business decisions.
- ✗ Give any gifts, travel or hospitality to a Public Official without proper approvals and ensuring that it has been properly recorded.
- ✗ Fail to comply with the rules described herein because such failure shall result in non-reimbursement of the expenses and disciplinary sanctions.

5 How to deal with different forms of corruption (continued)

5.2 Facilitation payments

A facilitation payment is generally understood to be any small payment made to a low-ranking Public Official in order to expedite or secure the performance of routine actions that the Public Official is obliged to provide eventually and which are infrequent, such as issuing licenses or permits, clearing goods, installing telephone lines, etc. Another way of thinking about facilitation payments is that they are payments made in response to “petty extortion” by low-ranking government “functionaries” at border crossings, dockyards, etc.

Facilitation payments should be distinguished from the situation where a service provider offers all customers an improved service in exchange for a higher price. A payment which is routinely and officially required for more rapid or efficient service (and which does not go into the pocket of an individual who is seeking to extort money) is not a bribe and is not illegal.

Facilitation payments for non-discretionary services are sometimes exempted from the scope of North American and Western European anti-corruption laws. In other words, while they are technically bribes, some anti-corruption laws (such as the US Foreign Corrupt Practices Act 1977) state that payments which qualify as facilitation payments are not illegal and will not be prosecuted. This does not mean, however, that they are legal under the local law of the country in which they are paid. In addition, some Western European countries (such as The Netherlands and the United Kingdom) have laws which forbid facilitation payments.

SBM's Standard

SBM prohibits the making of facilitation payments unless there are exceptional circumstances (e.g. duress or apprehension of peril). If made, such payments must be reported to the Compliance Officer and accounted for in an open and transparent fashion.

5 How to deal with different forms of corruption (continued)

How does this apply in practice?

5.2.1 Exceptional circumstances

Facilitation payments may only be made by SBM directors, officers or employees in circumstances where that director, officer, employee is facing an immediate risk to their (or others) personal safety, such as extortion backed by physical threats or in circumstances where there is a reasonable apprehension of physical harm, detention, or undue harassment.

In such circumstances, you should take all reasonable measures to remove yourself from any danger or threat as soon as possible. Once you are able to do so, the director, officer, employee should make a full written report to the Compliance Officer, including details of any payment you were required to make. You are not expected to suffer or withstand physical threats or harm for the sake of complying with these facilitation payment rules.

5.2.2 Record-keeping

The Compliance Officer shall ensure that all such payments reported to him or her shall be recorded in the company's books & records in an open and transparent fashion.

5 How to deal with different forms of corruption (continued)

Case Study:

What to do when:

1/ A custom official suggests you pay him USD 100 to allow some equipment, meet the legal requirements, to clear customs.

2/ A immigration officer suggests to overlook a deficiency in work order for obtaining a visa in exchange for USD 20.

3/ A chief tax official offers to reduce a fine for failure to comply with a tax declaration, if you pay him USD 100.

4/ You are on a business trip in an unknown country. You are stopped by the police for a passport and visa control. The policeman does not let you go, though your paper work is in order, and threatens to put you in prison, or to otherwise detain you, unless you pay him in cash USD 200.

General Do's and Don'ts:

Do:

- ✓ Assess whether or not the Public Official is low-ranking;
- ✓ Assess whether or not the government service in question is a routine action;
- ✓ Make sure the amounts are small, non-discretionary and exceptional;
- ✓ Report to and if possible discuss the facilitation payment with your Manager and/or Compliance Officer;
- ✓ Record the facilitation payment in the company's books;
- ✓ Take appropriate steps to preserve your personal safety and security.

Don't:

- ✗ Suggest or encourage facilitation payments;
- ✗ Make payments that induce the Public Official to violate local laws and regulations;
- ✗ Make payments that induce the Public Official to reduce legitimate fines and/or to settle administrative/customs disputes;
- ✗ Make payments to evade higher duties and taxes on goods;
- ✗ Make any payments that are not lawful and transparent;
- ✗ Make payments on repetitive basis;
- ✗ Take any risks when your personal safety is threatened.

5 How to deal with different forms of corruption (continued)

SBM's Standard

SBM does not participate in party political activity nor will it make political contributions of any kind.

No director, officer, employee or third party will, on behalf of SBM, participate in political activity nor make any political contribution of any kind on behalf of SBM.

5.3 Political contributions and activities

Political contributions refer to contributions of anything of value to support a political ambition, including political fundraising events.

How does this apply in practice?

SBM recognises and encourages employees' rights to participate in political activities as an individual. However, such activities by an employee should be undertaken in his or her personal capacity outside of working hours.

Under no circumstances will SBM reimburse any employee's expenses that are linked to political activities or the making of a personal political contribution.

5.4 Charitable donations and sponsorship

Charitable donations are part of SBM's commitment to society and reflect the company and its employees' desire to support worthy causes. Donations are generally of monetary value but are made without any expectation that SBM will receive anything in return.

Sponsorship is different to donations as it is a way for SBM to advertise its business and market its offerings. Sponsorship may take various forms such as sporting events, the arts, education, etc.

5 How to deal with different forms of corruption (continued)

SBM's Standard

SBM encourages and supports charitable donations and sponsorship activity, so long as it does not result in SBM obtaining any improper advantage.

How does this apply in practice?

Directors and employees must take care when making a donation on behalf of SBM that the funding is not to a non-existent or illegitimate charitable organisation. Such organisations can sometimes be used as fronts for corrupt payments.

All donations must be transparent and accountable and full records must be kept.

The following information must be obtained before promising or making a donation or a sponsorship:

- The name and position of the initiator.
- The name of the organisation or the recipient and its contact details.
- The type of charity or recipient (e.g. sports, arts, education) and the purpose of the donation or sponsorship (e.g. clothes for children, helping victims of a natural disaster, etc.).
- The authorisation of Senior Management for the donation or sponsorship. The value of the donation or sponsorship to be made shall be determined by Senior Management.

Once the donation has been made, the initiator must obtain an accurate receipt and/or letter of acknowledgment from the recipient.

If you have any concern, please contact the Compliance Officer.

5 How to deal with different forms of corruption (continued)

Case Study:

What to do when:

Charities, donations or sponsorships are recommended or requested by Public Officials;

Charities, donations or sponsorships are not logically associated with or related to the company's principal business or local community policy;

Charities or sponsorships managed by Public Officials or their family members;

The recipient of the donation, charity, sponsorship has the ability to award business to your company or influence local regulatory approvals;

Charitable or sponsorship organisation is reluctant to issue a receipt or publicly disclose it;

Donation, charity or sponsorship budget seems large compared to company's normal approval for such events.

General Do's and Don'ts:

Do:

- ✓ Determine whether there is a link between the charity or sponsorship organisation and the Public Official or the partner with who you are doing business with;
- ✓ Check the identity and background of the recipient of the charity, donation or sponsorship;
- ✓ Follow the standard application and approval process of the company for such events;
- ✓ Ensure it is in line with Company's pattern of charitable contributions;
- ✓ Check the local applicable laws and regulations on the subject;
- ✓ Seek approval from Management before accepting to make any payments on behalf of the company;
- ✓ Document and record the donation, charity or sponsorship.

Don't:

- ✗ Make or promise any donations or charities in large cash payments;
- ✗ Make or promise any payments to organisations that do not issue a receipt or refuse to publicly disclose donations, charities or sponsorships;
- ✗ Make or promise donations, charities or sponsorships that induce preferential treatment or help to retain business;
- ✗ Make or promise donations, charities or sponsorship that are larger than the company's budgeted donations;
- ✗ Make donations to suspicious bank accounts that do not correspond to the intended recipient.

5 How to deal with different forms of corruption (continued)

SBM's Standard

Before contracting with, or working with a joint venture partner, agent, or any other intermediary, you must take reasonable steps to ensure that the other party will not misuse funds or engage in any corrupt acts.

5.5 Intermediaries & Joint Venture Partners

Anti-corruption laws do not always distinguish between the acts of a company and the acts of a third party performing services on behalf of a company. In certain circumstances, SBM may be held responsible for the acts of intermediaries and partners. For this reason, SBM must take particular care in its dealings with intermediaries and other third parties and must perform due diligence on such parties. This also applies to potential joint venture partners that SBM may wish to do business with.

The term "intermediaries" includes any agents, consultants, major suppliers, freight forwarders and/or custom brokers and/or any other third parties.

How does this apply in practice?

SBM has developed procedures that must be followed when SBM appoints an intermediary or enters into a joint venture relationship with a party for the first time, as well as upon the renewal of an existing contract with an intermediary or joint venture partner:

5.5.1 Due Diligence.

The responsible employee must require the intermediary or joint venture partner to complete SBM's Due Diligence Form. The Due Diligence Form enables SBM to learn about the intermediary or joint venture partner's background, reputation, and qualifications. You may obtain the Due Diligence Form from the Legal Department. The form should be returned to the Legal Department for review and approval.

5.5.2 Communicate SBM's Code of Conduct and Business Ethics Standards.

The responsible employee must inform the intermediary or joint venture partner in writing of the existence of SBM's Code of Conduct and the Guide and request that they read it and acknowledge in writing that they will adhere to it.

5.5.3 Contracts.

The responsible employee must ensure that the relationship between SBM and the intermediary or joint venture partner is documented by a written agreement. The written agreement must include SBM's standard contractual provisions and must permit SBM to monitor the party's compliance with SBM's ethical and business standards and to terminate the agreement in the event of non-compliance. The written agreement must be either drafted, and/or reviewed by, the Legal Department.

5.5.4 Approval.

In addition to complying with the usual approval procedures related to the execution of new contracts, the responsible employee must obtain the approval of the Ethics Committee before the appointment of any agent/commercial representative or before any new joint venture relationship (or any renewal thereof) may be finalised. Once the arrangements have been approved, the written agreement must be signed by an authorised signatory of SBM. A business case for any new joint venture shall be submitted to the Group Sales Director and Board of Management.

5 How to deal with different forms of corruption (continued)

Case Study:

What to do when:

1/ You are having difficulty getting equipment through customs clearance. The customs officer is very particular about the rules and always finds something wrong. You discuss this issue with your Customs Broker. He tells you not to worry, and that he will solve it. You agree and are relieved. However, you suspect that your Custom Broker plans to settle these issues through some extra payments to the customs officials.

2/ You have received an invoice from your marketing agent that does not seem to conform with the payment terms you had agreed with him:

the commission fee is about twice the amount you agreed with him; and

the payments are to be made in two parts – one to his approved account, and another to an unknown bank account identified as “another bank account for marketing agent’s subsidiary”.

General Do’s and Don’ts:

Do:

- ✔ Arrange for due diligence to be performed on the intermediaries, Joint Venture partners that you wish to work with;
- ✔ Ask about the intermediaries, Joint Venture partner relationships with any Public Officials;
- ✔ Enquire about how the intermediaries deal with potential bribe situations or facilitation payments;
- ✔ Document the information obtained during due diligence: intermediaries or Joint Venture partners company policies etc;
- ✔ Communicate SBM’s Code of Conduct and business standards to the intermediary/partner, Report any potential red flags to your Manager and/or Compliance Officer;
- ✔ Ensure that you have in place a written agreement consistent with or conforming to SBM’s standard contracts;
- ✔ Pay close attention to intermediaries doing business on SBM’s behalf in high risk countries;
- ✔ Request invoices and supporting documentation for invoices;
- ✔ Clarify any payment discrepancies.

Don’t:

- ✘ “Turn a blind eye” to suspicious arrangements;
- ✘ Agree to pay commissions or fees in excess of fair market or customary value for the services provided;
- ✘ Make payments that can not be justified by a receipt;
- ✘ Make cash payments, up-front, or any other unusual payment arrangements;
- ✘ Agree to make payments to anonymous bank accounts.

N.B. Both of the above case study scenarios involve serious red flags and should be referred immediately to the Compliance Officer.

5 How to deal with different forms of corruption (continued)

SBM's Standard

SBM supports all anti-money laundering laws and procedures to avoid the receipt of cash or its equivalents that are the proceeds of crime or which may be used to facilitate terrorism or finance terrorist organisations.

5.6 Money laundering

Money laundering is the process of hiding the criminal origin of money or assets within legitimate business or business activities.

Anti-money laundering laws are strict and may operate to impose criminal liability on any company or individual employee that assists in or enables money laundering to occur.

How does this apply in practice?

SBM's directors, officers and employees should be on the look out for:

- Any irregularities in the way payments are made or received (e.g. payments to multiple offshore accounts or payments routed through unknown accounts or intermediaries); and
- Clients, suppliers and/or intermediaries who appear to lack integrity in their operations.

All SBM directors, officers and employees have a duty to report any suspicious activity to the Compliance Officer.

The following is a non-exhaustive list of "red flag" examples which are indicative of potential money laundering:

- Any transactions where the basic details of the parties cannot be checked or verified.
- Payments that are made in currencies other than that specified in the invoice, contract or purchase order.
- Attempts to receive or make payments in cash or its equivalents, such as cashier cheques.
- Requests to make an overpayment.
- Transactions that are made through unknown or unnecessary intermediaries or that are accompanied by a request for secrecy.
- Transactions related to high risk countries, as defined by the international governmental FATF (Financial Action Task Force).
- Any large cash payments.

6 Accurate and complete records, reporting and accounting

Books and records refer generally to all business and financial records of SBM, including financial accounts and memorandums and expense reports.

Any failure to keep accurate and complete books and records is not only contrary to SBM's standards but also may be in breach of the law.

As a public company listed on the Dutch stock exchange, and a company registered on the Dow Jones Sustainability Europe Index, SBM has certain duties to present and maintain transparent, complete and accurate financial reports and records.

6.1 Keeping accurate and complete books and records

SBM directors, officers and employees must:

- Ensure all transactions are properly authorised and accurately and completely recorded.
- Follow all laws and SBM's processes and policies for reporting information, accountancy and audits.
- Ensure that no undisclosed or unrecorded account, fund or asset is established or maintained.
- Co-operate fully with internal and external audits, provide them with the correct information.
- Show financial integrity in submitting or approving expense claims.

N.B. The above list is not meant to be exhaustive. Any attempt or act to falsify or destroy SBM's books or records may constitute fraud and will result in disciplinary sanction by SBM and may lead to civil and/or criminal liability for you and/or SBM.

7 Audits

Audits performed by our internal and external auditors help ensure compliance with and the implementation of established policies, ethical standards and controls throughout SBM. Audits also help to identify potential weaknesses and enable the company to remedy any deficiencies.

All directors, officers and employees of SBM are required to cooperate fully with internal and external audits and to provide the correct information to them. Any failure to cooperate with auditors may be grounds for disciplinary action.

8 Where to find further information and help

If you require any further information or help regarding compliance issues, you may seek advice from your Department Manager or you may contact the Compliance Officer. The Legal Department is also available to provide you with legal guidance on compliance issues.

If you wish to report a Code of Conduct violation, you may contact your Department Manager or Compliance Officer or if you prefer you may also use our SBM Offshore Integrity Line (for further details www.sbmoffshore.com under the headings: Corporate Governance/Code of Conduct/Whistle Blowing Rules) to register your concerns. The SBM Offshore Integrity Line allows you (if you wish) to keep your identity anonymous.



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