



MINUTES
of the Extraordinary General Meeting of Shareholders of SBM Offshore N.V.
(the "Company"),
held on 14 December 2011 in the Hilton Hotel in Rotterdam, the Netherlands

85,224,632 issued ordinary shares were represented at the Extraordinary General Meeting of Shareholders, or 49.71% of the total of 171,440,416 issued ordinary shares..

1. Opening

The Chairman opened the meeting and welcomed the shareholders and those invited to attend the meeting.

The Chairman also welcomed all the shareholders or their representatives who did not speak Dutch and commented that as customary for a Dutch listed AEX company this meeting would be conducted in Dutch. He furthermore informed the meeting that questions could be asked in English and would be answered in either Dutch or English, depending on the member of the Board of Management or the Supervisory Board answering the question. Simultaneous translation facilities were available, enabling everyone to follow the meeting in either English or Dutch. The Chairman continued the meeting in Dutch.

The Chairman indicated that as chairman of the Supervisory Board he had the pleasure of chairing this General Meeting of Shareholders of the Company. Seated at the table were Mr Miles, member of the Management Board and CFO, Mr Laurès, member of the Board of Management and COO, Mr Chabas, COO, whose appointment as member of the Management Board is proposed, Mr Van Gelder, vice-chairman of the Supervisory Board, Mr Cremers, member of the Supervisory Board and chairman of the Audit Committee and Mr Verwilghen, secretary of the Company and of this meeting. He furthermore stated that Professor M. van Olffen, civil law notary at De Brauw Blackstone Westbroek, would take the minutes of the meeting.

The Chairman noted, that there would be an audio recording of the meeting to facilitate taking the minutes. Simultaneous translation from and to English was also available. The meeting would be conducted in Dutch, where possible. The CFO and the COO would answer questions in English with a simultaneous translation in Dutch.

The Chairman informed the meeting that the electronic voting facility would be used for the agenda item that required voting. An explanation on the use of this facility would be given before the voting.

The Chairman informed the meeting that the notice convening the meeting and the agenda with annexes for this meeting had been published on 2 November 2011 on the Company's website and on Securities Info. The publication has been announced via a press release.

The Chairman noted that no request had been received to place additional items on the agenda from shareholders holding more than 1% of the ordinary shares or from shareholders representing a value in ordinary shares of at least EUR 50,000,000.

The Chairman informed the meeting that, in relation to the registration date, shareholders could

participate in the meeting if they were recorded as shareholder on 16 November 2011 without restricting transfer of their shares until after the end of the meeting. Shareholders were able to register for the meeting until 7 December 2011 at the latest.

The Chairman noted that the statutory requirements and articles of association had been complied with and that the meeting could pass a valid resolution concerning the proposal on the agenda.

The Chairman informed the meeting that on the registration date the total issued share capital of the Company was EUR 42,860,104, divided into 171,440,416 ordinary shares entitled to the same number of votes. The number of shares represented at the meeting was 85,224,632, representing 49.71% of the shares.

The Chairman drew attention to the following points to allow the meeting to run efficiently before he proceeded with agenda item 2.

1. Questions would be taken after the explanation of the agenda item. As in previous years, the Chairman requested the representatives of the Dutch Investors' Association (*Vereniging van Effectenbezitters*), Eumedion and other organizations protecting investors' interests to limit the number of questions per intervention to enable the other shareholders to ask their questions.
2. The Chairman requested those wishing to ask questions to clearly indicate their intention to do so and, after they have been given the floor, use the microphones provided. For minute-taking purposes it was important that the shareholder's name and address, and where necessary the organization represented, was clearly stated.
3. Finally, the Chairman asked that mobile phones be switched off.

2. Composition of the Management Board: appointment of Mr B.Y.R. Chabas as a member of the Management Board (resolution)

The Chairman stated that in a press release of 18 August 2011 it was announced that Mr Mace, CEO of the Company, would step down as CEO and member of the Company's Management Board as of 1 January 2012. The Chairman said that an arrangement had been made with Mr Mace that complies with the requirements of the Dutch Corporate Governance Code (the "**Code**"), which arrangement is:

1. On the basis of the agreement from 2008, which agreement provided that the existing employment contract with the CEO would be suspended for the duration of his appointment as CEO and would be reactivated when his appointment as CEO ended, Mr Mace will resume his employment by an SBM Offshore Group company until reaching retirement age on 16 December 2013.
2. Mr Mace will not receive any payment on termination of his CEO contract.
3. The terms under which Mr Mace will continue his employment are, on the whole, significantly lower than the terms that applied as CEO of the Company.
4. Mr Mace will carry out assignments as special adviser to the CEO of the Company. These will be assignments for which Mr Mace's experience in the business will be useful and will be of added value to the Company. In this capacity Mr Mace will not be a member of the Management Board or Board of Management (which includes non-statutory directors as well).
5. In the period since Mr Mace's stepping down was announced on 18 August 2011, Mr Mace has continued in all loyalty to manage the Company, and will continue doing so until him stepping down at the end of the year.

The Chairman indicated that on 3 February 2011 it was announced in a press release that on 1 May 2011 Mr Chabas would take up the position of COO of the Company as a member of the Board of Management,

succeeding Mr Blanchelande. The personal details of Mr Chabas are given in the explanatory note to agenda item 2. Mr Chabas was a member of the management board and CEO of Acergy, which is listed in Oslo, until this company was taken over at the end of last year by Subsea 7, also listed in Oslo. In the opinion of the Supervisory Board, Mr Chabas has the necessary knowledge and experience to hold the position of CEO of the Company as from 1 January 2012 as a member of the Management Board. In accordance with statutory requirements and with the Code, the most important aspects of the contract to be concluded with Mr Chabas are stated in the explanatory note to agenda item 2. These terms comply with the remuneration policy of the Management Board approved by the AGM on 5 May 2011.

The Chairman asked whether there were any questions on this point. **Mr Jorna (VEB)** said that he had only now come to realise that the relationship between the Company and Mr Chabas was based on a services contract and that the labour law relationship he has on the basis of his position as COO will be suspended. Mr Jorna indicated that the purpose of the latter was clear to him, since the same arrangement was used in relation to Mr Mace. Mr Mace returns to a labour law position in the Company on the basis of which he will perform services and is paid. The first question of Mr Jorna was whether the new legislation, which requires a corporate law agreement between a managing director and the Company, and not a labour law agreement, is not at odds with the arrangement that has been chosen here. **Mr Verwilghen** answered the first question, saying that this is not the case. The existing labour law relationship is a contract with a non-Dutch company that was suspended and will be reactivated when the CEO contract ends. This is contingent on the condition that at such time Mr Chabas agrees to an arrangement that could essentially be equivalent to the arrangement made with Mr Mace. This would mean that he would hold a completely different position than he did as CEO. The chosen structure enables the retention of existing knowledge and experience for the benefit of the Company. **Mr Jorna** asked a subsequent question (second question), namely that it cannot be that remuneration is agreed from the corporate law point of view while under the labour law relationship a severance payment might become due. **Mr Verwilghen** confirmed that this is not possible, and that that had been agreed in the case of Mr Mace. Mr Mace does not receive any such redundancy payment. **Mr Jorna** said he felt this was an elegant solution which enabled retaining skills for the Company. The arrangement is, as it were, that Mr Chabas is a self-employed worker without employees.

Mr Jorna asked (third question) about the fixed salary of Mr Mace, which was EUR 490,000 whereas that of Mr Chabas amounted EUR 600,000. **The Chairman** said that Mr Mace's salary was brought to EUR 600,000 in May 2011. **Mr Jorna** said that he had looked in the annual report, where he had read the figure of EUR 490,000. **The Chairman** said this was correct per end of December of the reporting year 2010. As was agreed at the last AGM in May 2011 when approving the Remuneration Policy 2011, the base salary of the CEO was fixed at EUR 600,000. The base salary will be aligned with the median of the Peer Group companies.

Mr Jorna said that it was decided in three months' time that Mr Chabas was a suitable person to take over the position held by Mr Mace. Mr Jorna's fourth question was therefore whether it was already at the back of their minds when Mr Chabas was hired that Mr Chabas was the crown prince in the making and whether he was selected on that basis. **The Chairman** answered to the fourth question that this was indeed the case. It is quite clear that, when looking for a replacement for the COO, Mr Blanchelande, the Board took into account the potential of the candidate to eventually succeed the CEO, Mr Mace upon his retirement in December 2013.

Mr Jorna complimented the Company in that the position could be filled from within its own ranks. Mr Jorna then said he had read that the strategy of the Company would be tightened up by Mr Chabas. He asked (fifth question) what Mr Chabas had in mind in that regard. **The Chairman** said that this matter was not on the agenda and that such a question could not be answered because it involved information that could be sensitive. The Company is operating at a good level and is going in a good direction. **Mr Jorna** reformulated his question and asked whether it was a matter of journalistic freedom that Mr Chabas would

tighten up the strategy and whether a tightening of the strategy could be expected. **The Chairman** stated that it was a matter of journalism.

The Chairman explained the voting procedure.

The Chairman announced that the meeting had approved the proposal to appoint Mr Chabas a member of the Management Board of the Company as of 1 January 2012 with 84,579,798 votes in favour, 145,024 votes against and 498,310 abstentions. The Chairman congratulated Mr Chabas.

The Chairman asked whether there were any questions.

Mr Jorna referred to the announcement of the impairment costs of USD 450 million. He said that many investors will have thought that they were well off with their money in the Company, since the Company has a huge order portfolio, is not troubled by declining consumer spending and rising costs of raw materials are not a problem either. Looking at the minutes of the AGM, the annual report and the events after balance sheet date, there was no reason to see the impairment coming. His sixth question was therefore whether the shareholders had perhaps been informed about "headaches" in too favourable terms at the AGM. Furthermore, he asked (seventh question) whether there were any other serious matters looming below the surface that ought to be reported and following on from this, whether one had the sense of being in control, so that the Company would not again be surprised by any setbacks. He asked (eighth question) whether the USD 450 million was a "worst case" amount, if everything were to go wrong, or whether the damage may turn out to be lower after arbitration. He said that he found it hard to swallow that, if it does not, the net profit will be erased, so that shareholders will start to wonder whether or not they will receive a dividend payment. Another point is the fact that the customer made negative remarks on the quality of the work delivered, specifically about the welding. His ninth question was whether this had caused damage to the Company's image and whether other customers had said they had concerns as well. **The Chairman** answered the sixth and seventh questions by saying that everything had been said about the impairment costs of USD 450 million. This is sensitive information. He said that unfortunately he had to refer to the existing public communication as regards the background for this impairment. There was nothing to add to the content of the press release which was repeated afterwards in the discussions with analysts and in the analyst presentations. As at present, there was nothing to add to this and this will probably be a topic on which additional information will be given at the AGM. To the eighth question he replied that there had been quality problems. He said that large projects had shown some problems with quality, and that it was something the Company would have to work hard to prevent. He asked Mr Chabas whether he had anything to add. **Mr Chabas** indicated in relation to the sixth, seventh and ninth question that at this stage all information was provided. First of all through the press release on the project on July, 28th and also in the trading update done on November, 17th. As part of the Company's normal process, the Company is reviewing all its projects on a regular basis, particularly, for the year end. So we made the review at this stage and there is nothing further to add.

Mr Jorna said he felt it was important that a correct picture of the situation had been painted for shareholders at the AGM on 5 May 2011. He asked (tenth question) whether the Company had been open and straightforward to the AGM. **The Chairman** replied to the tenth question that this had been the case. As was also stated in the press release, the impairment costs of USD 450 million had been reported when Talisman terminated [part of its] its contract with the Company. The Company responded swiftly on the point on which Talisman said it would not wish observe the agreement. The Chairman asked whether Mr Chabas wished to add anything to this. **Mr Chabas** referred back to the press release of July, 28th whereby reference is made to the change in the way the client was handling the contract. That was the triggering event and the date the press release was made was almost simultaneous to the time the events were discovered. So no information has been withheld and all the information has been communicated to the market as soon as the information was available and had been validated. **Mr Cremers** added that this

is not the type of thing that you sit on and wait. People are aware that this is price-sensitive information that must be shared with the market immediately and without delay. It was shared straight away, as soon as it was known, not waiting for the publication of the half-year figures.

Mr Jorna then asked (eleventh question) about a breakdown of the loss. Do the impairment costs include a possible claim by the client for late delivery and loss of profit? **The Chairman** said that this information is sensitive in connection with our position towards the client. **Mr Cremers** asked Mr Miles to add something to this point. **Mr Miles** indicated in relation to the eleventh question that no details or financial information can be provided on the split of the provision between the two projects. It would commercially not be in the Company's interest to divulge how much has been provided on each subject. We do not want to jeopardize the Company's legal position in either those two proceedings, which are ongoing. He stated that he was not going to give a breakdown or explain how the figure has been calculated. It has been explained that some recovery has been assumed in the legal proceedings, but those assumptions can be considered conservative and those have been established according to best practice.

Mr Jorna asked (twelfth question) whether the Company sometimes finds that price is more important than quality as a matter of policy. Are contracts managed on price or on quality? **The Chairman** asked Mr Chabas to answer the question. **Mr Chabas** stated in relation to the twelfth question that we would need to go back in the context in which the project has been taken. The project has been taken in a period where the demand was extremely high and the number of suppliers available to do the project were not plentiful. The Company therefore made the choice to go to suppliers which the Company had not used in the past in order to deliver the project. He stated that he could not comment more on the decision which was taken at that time. He indicated that what has been done presently and what has been done in the past several months and years in the Company is that in order to make sure that when submitting an offer, the Company knows that all suppliers are in line, which supplier will be used and that the project team is aligned in order to deliver the project.

Mr Jorna said that Subsea 7 is seen as a candidate that might have its eye on the Company or want to acquire it. He asked (thirteenth question) what the Chairman thought about these reports. **The Chairman** said that this was journalism.

Mr Jorna asked (fourteenth question) Mr Chabas, partly in view of the relocation of GustoMSC, whether the Company will continue to handle the MOPU and that type of product or whether the Company will clearly opt for deep water, which the Company is good at. Does GustoMSC still fit in this strategic choice? **The Chairman** asked whether Mr Chabas could say something on the Company's products. **Mr Chabas** indicated that the fourteenth question is difficult to answer and a proper answer would be given in the next General Meeting of Shareholders. He explained that GustoMSC is a company which is made up of two entities, MSC which was a company with 80 engineers and Gusto, a larger company with 50 to 70 engineers doing similar work as MSC. Because of the type of work those engineers were doing, it made sense to consolidate these two entities and to make them work as one unit. One can observe the benefits of this consolidation and the focus on their type of activity in the Company. He indicated that the core of the Company is the FPSO market and that thus the two entities have been separated physically. This is only to distinguish it from the core SBM group which is addressing the FPSO development.

The Chairmen thanked everyone present and closed the meeting.