

## MANAGEMENT BOARD RULES SBM OFFSHORE N.V.

### AS PER 8 AUGUST 2017

#### **1 STATUS AND CONTENTS OF THE MANAGEMENT BOARD RULES**

- 1.1 These Rules are issued pursuant to article 16 of the Company's articles of association and governing the internal proceedings of the management board and were adopted by the Management Board of the Company on 1 August 2017 and approved by the Supervisory Board on 8 August 2017.
- 1.2 In these rules capitalised terms have the meaning as set out in Schedule 1. Any reference in these rules to "in writing" means in writing or by other reproducible electronic communication.
- 1.3 The following Schedules are attached to and form an integral part of the Management Board Rules:

<u>Schedule 1</u>	Definitions
<u>Schedule 2</u>	General responsibilities and division of duties
<u>Schedule 3</u>	Supervisory Board approval

#### **2 COMPOSITION, RESPONSIBILITIES AND DIVISION OF DUTIES**

##### **Responsibilities and division of duties**

- 2.1 The Managing Directors shall be collectively responsible for the Company's management, the business of the Company and the general affairs of the Company and the group companies affiliated with the Company.
- 2.2 Subject to the Supervisory Board's approval, the Managing Directors may divide their duties. Schedule 2 sets out the Management Board's general responsibilities and specifies how duties are currently divided between the Managing Directors.
- 2.3 The Management Board is composed in such way that the requisite expertise, background and competencies are present for them to carry out their duties properly. The size of the Management Board reflects these requirements. A Managing Director retires early in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Supervisory Board.

##### **Chief Executive Officer (CEO) and Chairman of the Management Board**

- 2.4 The Supervisory Board appoints one of the Managing Directors as "Chief Executive Officer" (CEO). The CEO's duties are set out in Schedule 2. The CEO acts as Chairman of the Management Board.
- 2.5 If the CEO position is vacant (*ontstentenis*) or the CEO is unable to act (*belet*), the Supervisory Board may appoint one of the other Managing Directors to temporarily perform the duties of CEO, and the same or another Managing Director to perform the duties of Chairman of the Management Board as set out in these rules.

### **Chief Financial Officer (CFO)**

- 2.6 The Supervisory Board appoints one of the Managing Directors as "Chief Financial Officer" (CFO). The CFO's duties are set out in Schedule 2.
- 2.7 If the CFO position is vacant (ontstentenis) or the CFO is unable to act (belet), the Supervisory Board may appoint one of the other Managing Directors to temporarily perform the duties of CFO.

### **Chief Operations Officer (COO)**

- 2.8 The Supervisory Board may appoint one of the Managing Directors as "Chief Operations Officer" (COO). The COO's duties are set out in Schedule 2.
- 2.9 If the COO position is vacant (ontstentenis) or the COO is unable to act (belet), the Supervisory Board may appoint one of the other Managing Directors to temporarily perform the duties of COO.

### **Chief Governance and Compliance Officer (CGCO)**

- 2.10 The Supervisory Board may appoint one of the Managing Directors as "Chief Governance and Compliance Officer" (CGCO). The CGCO's duties are set out in Schedule 2.
- 2.11 If the CGCO position is vacant (ontstentenis) or the CGCO is unable to act (belet), the Supervisory Board may appoint one of the other Managing Directors to temporarily perform the duties of CGCO.

## **3 COMPANY SECRETARY**

- 3.1 The Company Secretary assists the Management Board. The Company Secretary ensures that the proper procedures as required by law, the Articles of Association or these rules are complied with.
- 3.2 The Company Secretary assists the Supervisory Board. The Company Secretary ensures that the proper procedures as required by law, the Articles of Association or these Rules are complied with. The Company Secretary facilitates the provision of information of the Management Board. The Company Secretary assists the Chairman of the Management Board in organising Management Board meetings.
- 3.3 Subject to the Supervisory Board's approval, the Management Board appoints and dismisses the Company Secretary. The Supervisory Board may recommend the appointment or dismissal of the Company Secretary to the Management Board.
- 3.4 If the Company Secretary also undertakes work for the Supervisory Board and notes that the interests of the Management Board and the Supervisory Board diverge, as a result of which it is unclear which interests the Company Secretary should represent, the Company Secretary reports this to the chairman of the Supervisory Board.

## **4 MEETINGS OF THE MANAGEMENT BOARD AND DECISION MAKING**

### **Convening meetings and agenda**

- 4.1 Meetings are held in accordance with a meeting schedule to be annually set by the Management Board. Additional meetings are convened at any Managing Director's request.
- 4.2 Meetings are convened in a timely manner by the Chairman of the Management Board or, if the Chairman of the Management Board position is vacant (ontstentenis) or if the Chairman of the

Management Board is unable to act (belet), any Managing Director. The notice sets out the meeting agenda.

- 4.3 The Managing Director convening a meeting sets the agenda for that meeting. Managing Directors may submit agenda items to the Managing Director convening the meeting. At the request of a Managing Director, urgent matters may be discussed immediately or in an additional meeting.

#### **Meeting location**

- 4.4 Meetings are normally held at the Company's offices, but may also take place elsewhere. Meetings may also be held by telephone or videoconference, provided that all participants can hear each other simultaneously. Managing Directors attending the meeting by telephone or videoconference are considered present at the meeting.

#### **Attendance**

- 4.5 A Managing Director may be represented at a meeting by another Managing Director holding a proxy in writing. The Management Board may require that certain employees or external advisers attend its meetings.

#### **Chairman of the meeting**

- 4.6 The Chairman of the Management Board chairs the meetings. If the Chairman of the Management Board is not present at a meeting and has not appointed another Managing Director as chairman of that meeting, the Managing Directors present at the meeting will appoint one of them as chairman of that meeting.

#### **Adoption of resolutions - quorum requirements**

- 4.7 The Management Board may only adopt resolutions at a meeting if a majority of the Managing Directors entitled to vote is present or represented at the meeting.
- 4.8 If the Chairman of the Management Board believes there is an exceptional situation that requires the Management Board's immediate resolution, the quorum requirement referred to in clause 4.7 does not apply, provided that at least two Managing Directors entitled to vote are present or represented at the meeting and reasonable efforts have been made to involve the other Managing Directors in the decision making.
- 4.9 The chairman of the meeting ensures that adopted resolutions are communicated to Managing Directors not present at the meeting without delay.

#### **Adoption of resolutions - majority requirements**

- 4.10 Each Managing Director has one vote. Where possible, the Management Board adopts its resolutions by unanimous vote. If this is not possible, the resolution is adopted by a majority of votes cast.
- 4.11 In the event of a tie, the Chairman of the Management Board, if entitled to vote, has a casting vote, provided that at least two other Managing Directors entitled to vote are in office.
- 4.12 If there is insufficient agreement on a proposed resolution during the meeting, the chairman of the meeting may defer the proposal for further discussion or withdraw the proposal.

### **Meeting minutes**

- 4.13 The Company Secretary or any other person designated as the meeting secretary prepares the meeting minutes. The minutes are adopted by a resolution adopted at the next Management Board meeting; or by the chairman and secretary of the particular meeting, after having consulted the Managing Directors present or represented at that meeting.
- 4.14 Resolutions can be evidenced by the minutes or by a statement signed by the chairman and the company secretary of that meeting.

### **Adopting resolutions without holding a meeting**

- 4.15 The Management Board may also adopt resolutions without holding a meeting, provided that the resolutions are adopted in writing and no objections have been raised by any Managing Directors to adopting the resolutions without holding a meeting.
- 4.16 Clauses 4.10 and 4.11 also apply to adopting resolutions without holding a meeting.

### **Resolutions requiring Supervisory Board approval**

- 4.17 Schedule 3 lists Management Board resolutions that the Supervisory Board has made subject to Supervisory Board approval. The Supervisory Board may from time to time amend this list, provided that the amendments are clearly specified and communicated in writing to the Management Board.

## **5 CONFLICTS OF INTEREST**

### **Preventing conflicts of interest**

- 5.1 Any conflict of interest between the Company and the Managing Directors should be prevented. Managing Directors must be alert to conflicts of interest and may not:
- (a) compete with the Company;
  - (a) demand or accept substantial gifts from the Company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - (b) provide unjustified advantages to third parties at the Company's expense;
  - (c) take advantage of business opportunities that the Company is entitled to, for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

### **Definition**

- 5.2 For the purpose of clauses 5.3 through 5.8, a "conflict of interest" means a direct or indirect personal conflict of interest within the meaning of article 2:129(5) Dutch Civil Code or any other situation which causes reasonable doubt about whether the Managing Director concerned is primarily guided in the decision-making process by the interests of the Company and its business.
- 5.3 A Managing Director has a potential conflict of interest if the Company intends to enter into a transaction with a legal entity:

- (a) in which that Managing Director has a material financial interest;
- (b) whose management or supervisory board includes a member who has a family law relationship with that Managing Director; or
- (c) where that Managing Director has a management or supervisory position.

#### **Obligation to report and Determination of conflicts of interest**

- 5.4 A Managing Director must without delay report any conflict of interest or potential conflict of interest to the chairman of the Supervisory Board and to the other Managing Directors. The Managing Director must provide all relevant information, including any relevant information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.
- 5.5 The Supervisory Board decides whether a Managing Director has a conflict of interest, without the Managing Director being present.

#### **Consequences**

- 5.6 A Managing Director may not participate in the Management Board's deliberations and decision-making process on a subject where the Managing Director is found to have a conflict of interest pursuant to clause 5.5. The Managing Director does not qualify as a Managing Director entitled to vote in relation to that subject.
- 5.7 Management Board resolutions on a subject where the Supervisory Board has found one or more Managing Directors to have a conflict of interest may only be adopted if the Company enters into the transaction on terms that are customary in the market and require the Supervisory Board's approval.
- 5.8 The chairman of the Supervisory Board shall procure that these conflicts of interests will be published in the Management Board's annual report, with a declaration that the Conflict of Interest and the articles 5.4 up to and including 5.7 are observed.

## **6 CULTURE, CODE OF CONDUCT, COMPLAINTS AND NOTIFICATION OF IRREGULARITIES**

- 6.1 The Management Board adopts values for the Company that contribute to a culture focused on long-term value creation, and discuss these with the Supervisory Board. The Management Board encourages behaviour that is in keeping with the values, and propagates these values through leading by example. The Management Board is responsible for the incorporation and maintenance of the values, paying attention to among other things:
  - (a) the strategy and the business model;
  - (b) the environment in which the enterprise operates; and
  - (c) the existing culture within the enterprise, and whether it is desirable to implement any changes in this.
- 6.2 The Management Board draws up a code of conduct and monitors its effectiveness and compliance with this code. The Management Board informs the Supervisory Board of its findings and observations

relating to the effectiveness of, and compliance with, the code. The code of conduct will be published on the Company's website.

- 6.3 The Management Board ensures that complaints received by the Company in relation to the financial reporting, the internal risk management and control systems and the audit are received, recorded and dealt with in line with the Rules of Conduct to report suspected irregularities.
- 6.4 The Management Board ensures that employees have the opportunity on the basis of the Company's Integrity Reporting Policy as published on the Company's website, without jeopardising their legal position, to report alleged irregularities within the Company of a general, operational and financial nature.
- 6.5 The Management Board informs the chairman of the Supervisory Board without delay of any signs of actual or suspected material misconduct or irregularities. If the actual or suspected misconduct or irregularity pertains to the functioning of a Managing Director, employees can report this directly to the chairman of the Supervisory Board.

## **7 TAKEOVER SITUATIONS**

- 7.1 If a takeover bid for the Company's shares is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the Company's structure, the Management Board shall ensure that the Supervisory Board is closely involved in the takeover process in due time.
- 7.2 If a takeover bid has been announced or made in respect of the Company and the Management Board of the Company receives a request from a competing bidder to inspect the Company's records, the Management Board shall discuss this request with the Supervisory Board without delay.
- 7.3 In the event of a takeover bid for the company's shares or for the depositary receipts for the Company's shares, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, the Management Board and the Supervisory Board ensure that the stakeholder interests concerned are carefully weighed and any conflict of interest for Supervisory Directors or Managing Directors is avoided.
- 7.4 If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, the Management Board shall as soon as possible make public its position on the bid and the reasons for this position.

## **8 EVALUATION OF MANAGING DIRECTORS**

- 8.1 The chairman of the Supervisory Board is the main contact on behalf of the Supervisory Board regarding the performance of the Managing Directors. The Management Board regularly, and at least annually, evaluates its own and the Managing Directors' performance. The Management Board annually identifies any aspects with regard to which the Managing Directors require training or education.

## **9 POSITIONS OUTSIDE THE COMPANY**

- 9.1 Managing Directors shall inform the Supervisory Board before accepting positions outside the Company. Managing Directors may not accept a position outside the Company without the Supervisory Board's prior approval. The position cannot be in conflict with the Company's interests.

## **10 CONFIDENTIALITY**

- 10.1 Each Managing Director must treat all information and documentation obtained in connection with his or her position as Managing Director with the necessary discretion, integrity and confidentiality.

## **11 MISCELLANEOUS**

### **Decision not to comply with these rules and Amendment of these rules**

- 11.1 Subject to the Supervisory Board's approval, the Management Board may occasionally resolve not to comply with these rules.
- 11.2 Subject to the Supervisory Board's approval, the Management Board may amend these rules.

### **Partial invalidity**

- 11.3 If any provision of these rules is held to be or becomes invalid (in each case, either in its entirety or in part) that provision will, to the extent of its invalidity, be deemed not to form part of these rules, but the validity of the remainder of these rules will not be affected. The Management Board shall replace the invalid provisions by those which are valid and the effect of which, given the contents and purpose of these rules, is to the greatest extent possible similar to that of the invalid provisions.
- 11.4 Where any provision of these rules is held to be or becomes inconsistent with the Company's articles of association and/or Dutch law or, the latter shall prevail.

### **Governing law and jurisdiction**

- 11.5 These rules are governed exclusively by Dutch law.
- 11.6 Any disputes arising out of or in connection with these rules, including disputes concerning their applicability, will be resolved by the courts in Amsterdam, the Netherlands.

----

## **SCHEDULE 1                      DEFINITIONS**

"**Articles of Association**" means the articles of association of the Company;

"**BW**" means the Dutch Civil Code (*Burgerlijk Wetboek*);

"**Chairman of the Management Board**" means the Managing Director with the title Chairman of the Management Board, in accordance with clause 2.4;

"**Chief Executive Officer**" or "**CEO**" means the chief executive officer of the Company appointed in accordance with clause 2.4;

"**Chief Financial Officer**" or "**CFO**" means the chief financial officer of the Company appointed in accordance with clause 2.6;

"**Code**" means the Dutch Corporate Governance Code;

"**Company**" means SBM Offshore N.V.;

"**Company Secretary**" means the company secretary appointed in accordance with clause 3;

"**Group**" means the Company and all entities included in the group (*groep*, within the meaning of article 2:24b BW) headed by it;

"**Management Board**" means the management board of the Company;

"**Managing Director**" means a member of the Management Board;

"**Schedule**" means a schedule to these rules; and

"**Supervisory Board**" means the supervisory board of the Company.

----

## **SCHEDULE 2                      GENERAL RESPONSIBILITIES AND DIVISION OF DUTIES**

### **1                      GENERAL RESPONSIBILITIES OF THE MANAGEMENT BOARD**

- 1.1      The Management Board manages the Company. The Management Board is responsible for the continuity of the Company and its business. The Management Board must establish a position on the relevance of long-term value creation for the Company and its business and take into account the relevant stakeholder interests. In fulfilling its responsibilities, the Management Board is guided by the interests of the Company and its business. The Management Board stimulates openness and accountability.
- 1.2      Each Managing Director shall have the specific expertise required for the fulfilment of his duties.
- 1.3      The responsibilities of the Management Board include:
- (a)      setting the Company's management agenda;
  - (b)      enhancing the Group's performance;
  - (c)      developing a general strategy and taking into account risks connected to the Group's business activities;
  - (d)      determining and pursuing operational and financial objectives;
  - (e)      structuring and managing internal business control systems;
  - (f)      overseeing the Group's financial reporting processes;
  - (g)      ensuring the Group's compliance with applicable laws and regulations;
  - (h)      ensuring compliance with and maintaining the Group's corporate governance structure;
  - (i)      ensuring publication by the Company of any information required by applicable laws and regulations;
  - (j)      preparing the Company's annual accounts and management report;
  - (k)      expenditures;
  - (l)      the Company's organisation structure and human resources;
  - (m)      monitoring corporate social responsibility issues; and
  - (n)      ensuring that internal procedures are established and maintained which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely fashion.
- 1.4      The Management Board is responsible for determining the Company's risk profile and policy designed to realise the Company's objectives, assessing and managing the Company's risks and ensuring that sound internal risk management and control systems are in place. The Management Board monitors the operation of the internal risk management and control systems and carries out a systematic assessment of their design and effectiveness at least once a year. This monitoring covers all material control measures relating to strategic, operational, compliance and reporting risks. Attention is given to observed weaknesses, instances of misconduct and irregularities, indications from whistleblowers,

lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements are made to internal risk management and control systems.

- 1.5 The Management Board annually draws up the Company's strategy plan including the operating plan for the following financial year. The Company's strategy plan shall cover the next three years and shall be drawn up every two years. Both the Company's strategy plan and the Company's operating plan shall be adopted after the Supervisory Board's approval.

## **2 RESPONSIBILITIES ASSIGNED TO SPECIFIC MANAGING DIRECTORS**

### **Chief Executive Officer**

2.1 The CEO is primarily responsible for:

- (a) ensuring that Management Board is functioning effectively;
- (b) ensuring that the Company's Strategy Plan and the Company's Operating Plan are drawn up in a timely manner;
- (c) supporting the other Managing Directors and mediating in any differences of opinion between them;
- (d) ensuring that there is ample time for consultation, discussion and the other aspects of preparing resolutions at, and reporting Management Board meetings, and supervising the implementation of Management Board's resolutions;
- (e) chairing the meetings of the Management Board;
- (f) ensuring that information to the Managing Directors as necessary for the proper performance of their duties, is submitted in timely and adequate manner;
- (g) ensuring due decision-making by group companies and their reporting to the Management Board;
- (h) maintaining intensive and frequent contacts with the Supervisory Board and in particular with the Chairman of the Supervisory Board, and providing the other Managing Directors with timely and adequate information about the outcome of those contacts;
- (i) ensuring that information to the Supervisory Board and its individual members, as necessary for the proper fulfilment of their duties, is submitted in a timely and adequate manner; and
- (j) cooperating in the annual evaluation and assessment of the performance of the Management Board and its members by the Supervisory Board.

### **Chief Financial Officer**

2.2 The CFO is primarily responsible for:

- (a) financial affairs, including the responsibility for funding, tax, IT and treasury matters;
- (b) drawing up the draft annual accounts and corresponding annual report and the six-months and quarterly figures, and sending these documents to the Supervisory Board;

- (c) supervising the proper performance by the Company's external accountant and the issue of this report to the Supervisory Board;
- (d) compliance by the Company with recommendation of the Company's external accountant; and
- (e) compliance by the Company with the Company's internal audit function regulations.

**Chief Operating Officer**

2.3 The COO is primarily responsible for:

- (a) the functioning of the regional centres, fleet operations and the group executions function;
- (b) health, safety, security and environment;
- (c) quality and improvements plans;
- (d) marketing, sales and tendering; and
- (e) supervision of the operations (turnkey and fleet).

**Chief Governance and Compliance Officer**

2.4 The CGCO is primarily responsible for:

- (a) Governance, legal and risk management;
- (b) Internal and external communications;
- (c) Insurance matters; and
- (d) compliance by the Company with all relevant legislation and all relevant Codes including the internal Company's Codes.

### **SCHEDULE 3                      SUPERVISORY BOARD APPROVAL**

#### **1                      MANAGEMENT BOARD RESOLUTIONS REQUIRING SUPERVIORY BOARD APPROVAL**

1.1                      The Management Board requires the Supervisory Board's approval for resolutions:

- (a)                      resolutions as referred to in article 2:164 Dutch Civil Code;
- (b)                      the operational and financial objectives of the Company;
- (c)                      the strategy designed to achieve the objectives;
- (d)                      the parameters to be applied in relation to the strategy, inter alia, in respect of the financial ratios;
- (e)                      the corporate social responsibility issues that are relevant to the enterprise;
- (f)                      to appoint or dismiss the senior internal auditor;
- (g)                      to approve the audit plan drawn up by the internal audit function;
- (h)                      to enter into a transaction with a legal entity or natural person holding at least ten percent of the Company's shares; and
- (i)                      on subjects where a Supervisory Director has a conflict of interest as referred to in the Supervisory Board rules of N.V.;

1.2                      In accordance with article 16 of the Company's articles of association the Supervisory Board may from time to time determine that other Management Board resolutions are subject to its approval.

----