

SUPERVISORY BOARD RULES SBM OFFSHORE N.V.

AS PER 8 AUGUST 2017

1 STATUS AND CONTENTS OF THE SUPERVISORY BOARD RULES

1.1 These Rules are issued pursuant to article 26 of the Company's articles of association and were amended and restated by the Supervisory Board of the Company after consultation with the Management Board of the Company 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 Supervisory Board Rules:

<u>Schedule 1</u>	Definitions
<u>Schedule 2</u>	Profile of the Supervisory Board
<u>Schedule 3</u>	General responsibilities of the Supervisory Board
<u>Schedule 4</u>	the Rules governing the Audit and Finance Committee of the Supervisory Board
<u>Schedule 5</u>	the Rules governing the Appointment and Remuneration Committee of the Supervisory Board
<u>Schedule 6</u>	the Rules governing the Technical and Commercial Committee of the Supervisory Board

2 COMPOSITION, RESPONSIBILITIES AND DIVISION OF DUTIES

Composition and Responsibilities of the Supervisory Board

2.1 The Supervisory Board prepares a profile of its size and composition, taking into account the nature of the Company's business and the Supervisory Board's activities. The current profile is set out in Schedule 2.

2.2 A Supervisory Director is appointed for a period of four years and may then be reappointed once for another four-year period. A Supervisory Director may subsequently be reappointed again for a third period of two years, which appointment may be extended by at most two years. A Supervisory 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. The Supervisory Board prepares a rotation schedule to prevent, where possible, reappointments occurring at the same time. The current rotation schedule is published on the Company's website.

2.3 The general responsibilities of the Supervisory Board are set out in Schedule 3.

Responsibilities of the Chairman and the Vice-Chairman

- 2.4 The Supervisory Board appoints one of the Supervisory Directors as Chairman and one of its members as Vice-Chairman. The Chairman cannot be a former Managing Director and must be independent in accordance with best practice provision 2.1.8 of the Code.
- 2.5 The Chairman is primarily responsible for ensuring that:
- (a) the Supervisory Board has proper contact with the Management Board and the General Meeting;
 - (b) the Supervisory Board elects a Vice-Chairman;
 - (c) there is sufficient time for deliberation and decision making by the Supervisory Board;
 - (d) the Supervisory Directors receive all information that is necessary for the proper performance of their duties in a timely fashion;
 - (e) the Supervisory Board and its committees function properly;
 - (f) the performance of individual Managing Directors and Supervisory Directors is assessed at least annually;
 - (g) the Supervisory Directors and Managing Directors follow their induction programme;
 - (h) the Supervisory Directors and Managing Directors follow their education or training programme;
 - (i) the Management Board performs activities to maintain a culture aimed at long-term value creation;
 - (j) the Supervisory Board recognises signs from Company's business and ensures that any material misconduct and irregularities, or suspicion thereof, are reported to the Supervisory Board without delay;
 - (k) the General Meeting proceeds in an orderly and efficient manner;
 - (l) effective communication with shareholders is assured; and
 - (m) the Supervisory Board is involved closely, and at an early stage, in any merger or takeover process and that 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.
- 2.6 The Chairman acts on behalf of the Supervisory Board as the main contact for the Management Board, Supervisory Directors and shareholders. The Chairman must consult regularly with the chairman of the Management Board.
- 2.7 The Vice-Chairman deputises for the Chairman in the event that the position of Chairman is vacant (*ontstentenis*) or if the Chairman is unable to act (*belet*).

- 2.8 The Vice-Chairman acts as main contact for individual Supervisory Directors and Managing Directors regarding the performance of the Chairman.

Delegated Supervisory Directors and temporary Management Board function

- 2.9 A delegated Supervisory Director is assigned a special task. The delegation may not extend beyond the responsibilities of the Supervisory Board and may not include the management of the Company. Its purpose is intensive supervision and advice and regular consultation with the Management Board. The delegation shall be of a temporary nature only. The delegation may not detract from the duties and powers of the Supervisory Board. The delegated Supervisory Director continues to be a member of the Supervisory Board and reports regularly on the execution of his or her special duty to the Supervisory Board.
- 2.10 A Supervisory Director who temporarily takes on the management of the Company, where the Management Directors are absent or unable to fulfil their duties, resign from the Supervisory Board.

3 COMMITTEES OF THE SUPERVISORY BOARD

General

- 3.1 The Supervisory Board may assign certain tasks to one or more permanent or ad hoc committees comprising one or more Supervisory Directors.
- 3.2 The task of Supervisory Board committees is to prepare the decision making of the Supervisory Board. Establishing committees does not diminish the responsibility of the Supervisory Board and the Supervisory Directors for obtaining information and forming an independent opinion. The committees cannot adopt resolutions on behalf of the Supervisory Board.
- 3.3 The Supervisory Board appoints Supervisory Board committee members. For each committee, the Supervisory Board appoints a chairman from among committee members, and a secretary. The secretary does not need to be a Supervisory Director.
- 3.4 Supervisory Board committees report on a regular basis to the Supervisory Board about their actions, reviews, proposals and findings. The Supervisory Board discusses the items reported on by the committees.

Permanent Committees

- 3.5 The Supervisory Board has the following permanent committees:
- (a) the Audit and Finance Committee, with duties and internal proceedings as set out in Schedule 4;
 - (b) the Appointment and Remuneration Committee, with duties and internal proceedings as set out in Schedule 5; and
 - (c) the Technical and Commercial Committee, with duties and internal proceedings organisation as set out in Schedule 6.

Ad hoc committees

- 3.6 The Supervisory Board may establish ad hoc committees. The duties and internal proceedings of ad hoc committees are set out in writing by the Supervisory Board and form part of these Rules.

4 COMPANY SECRETARY

- 4.1 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 Supervisory Board and supports the Chairman in the organisation of the affairs of the Supervisory Board, including the provision of information, meeting agendas, evaluations and training programmes.
- 4.2 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.
- 4.3 If the Company Secretary also undertakes work for the Management 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.

5 MEETINGS OF THE SUPERVISORY BOARD AND DECISION MAKING

Convening meetings and agenda

- 5.1 Meetings are held in accordance with a meeting schedule to be annually set by the Supervisory Board. Additional meetings are convened at any Supervisory Director's request.
- 5.2 Meetings are convened in a timely manner by the Chairman or, if the Chairman and Vice-Chairman positions are vacant (*ontstentenis*) or the Chairman and Vice-Chairman are unable to act (*belet*), by any Supervisory Director. The notice sets out the meeting agenda.
- 5.3 The Supervisory Director convening a meeting sets the agenda for that meeting. Supervisory Directors may submit agenda items to the Supervisory Director convening the meeting.

Meeting location

- 5.4 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. Supervisory Directors attending the meeting by telephone or videoconference are considered present at the meeting.

Attendance

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

Chairman of the meeting

- 5.6 The Chairman or, if the Chairman is not present at the meeting, the Vice-Chairman chairs the meeting. If both the Chairman and the Vice-Chairman are not present at a meeting and the Chairman has not appointed another Supervisory Director as chairman of that meeting, the Supervisory Directors present at the meeting will appoint one of them as chairman of that meeting.

Adoption of resolutions - quorum requirements

- 5.7 The Supervisory Board may only adopt resolutions at a meeting if a majority of the Supervisory Directors entitled to vote is present or represented at the meeting.
- 5.8 If the Chairman believes there is an exceptional situation that requires the Supervisory Board's immediate resolution, the quorum requirement referred to in clause 5.7 does not apply, provided that at least two Supervisory Directors entitled to vote are present or represented at the meeting and reasonable efforts have been made to involve the other Supervisory Directors in the decision making.
- 5.9 The chairman of the meeting ensures ensure that adopted resolutions are communicated to Supervisory Directors not present at the meeting without delay.

Adoption of resolutions - majority requirements

- 5.10 Each Supervisory Director has one vote. Where possible, the Supervisory Board adopts its resolutions by unanimous vote. If this is not possible, the resolution is adopted by a majority of votes cast.
- 5.11 In the event of a tie, the chairman of the meeting, if entitled to vote, has a casting vote, provided that at least two other Supervisory Directors entitled to vote are in office.
- 5.12 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

- 5.13 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 Supervisory Board meeting or by the chairman and secretary of the particular meeting, after having consulted the Supervisory Directors present or represented at that meeting.
- 5.14 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

- 5.15 The Supervisory Board may also adopt resolutions without holding a meeting, provided that the resolutions are adopted in writing and all Supervisory Directors entitled to vote have consented to adopting the resolutions without holding a meeting.
- 5.16 Clauses 5.10 and 5.11 also apply to adopting resolutions without holding a meeting.

6 CONFLICTS OF INTEREST

Preventing conflicts of interest

- 6.1 Any conflict of interest between the Company and Supervisory Directors should be prevented. The Supervisory Board is responsible for dealing with any conflicts of interest between Supervisory Directors and the Company.
- 6.2 Supervisory Directors must be alert to conflicts of interest and may not:
- (a) compete with the Company;
 - (b) 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;
 - (c) provide unjustified advantages to third parties at the Company's expense;
 - (d) 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

- 6.3 For purposes of clauses 6.4 through 6.8, a "conflict of interest" means a direct or indirect personal conflict of interest within the meaning of article 2:140(5) BW or any other situation which causes reasonable doubt about whether the Supervisory Director concerned is primarily guided in the decision-making process by the interests of the Company and its business.
- 6.4 A Supervisory Director has a potential conflict of interest if the Company intends to enter into a transaction with a legal entity:
- (a) in which that Supervisory Director has a material financial interest;
 - (b) whose management or supervisory board includes a member who has a family law relationship with that Supervisory Director; or
 - (c) where that Supervisory Director has a management or supervisory position.

Obligation to report and Determination of conflicts of interest

- 6.5 A Supervisory Director, other than the Chairman or Vice-Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Chairman, or in the Chairman's absence, the Vice-Chairman. The Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Vice-Chairman or, in the Vice-Chairman's absence, to the other Supervisory Directors. The Vice-Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Chairman or, in the Chairman's absence, to the other Supervisory Directors. The Supervisory 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.

- 6.6 The Supervisory Board decides whether a Supervisory Director has a conflict of interest, without the Supervisory Director being present.

Consequences

- 6.7 A Supervisory Director may not participate in the Supervisory Board's or a committee's deliberations and decision-making process on a subject where the Supervisory Director is found to have a conflict of interest pursuant to clause 6.66.6. The Supervisory Director does not qualify as a Supervisory Director entitled to vote in relation to that subject.
- 6.8 Management Board resolutions on a subject where the Supervisory Board has found one or more Supervisory Directors to have a conflict of interest require the approval of the Supervisory Board. The Supervisory Board may only grant its approval if the transaction is to be entered into by the Company on terms that are customary in the market.

7 CULTURE, CODE OF CONDUCT, COMPLAINTS AND NOTIFICATION OF IRREGULARITIES

- 7.1 The Supervisory Board supervise the activities of the Management Board in relation to culture and the Company's code of conduct which is published on the Company's website.
- 7.2 The Management Board shall ensure that employees have the opportunity on the basis of the Company's Integrity 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.
- 7.3 The Supervisory Board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if misconduct or irregularities have been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the Management Board itself is involved, the Supervisory Board has the option of initiating its own investigation into any irregularities and to coordinate this investigation.
- 7.4 The external auditor informs the chairman of the Audit and Finance Committee without delay if, during the performance of his duties, he discovers or suspects misconduct or irregularities. If the actual or suspected misconduct or irregularity pertains to the functioning of a Managing Director, the external auditor reports this directly to the Chairman.

8 RELATIONSHIP WITH THE GENERAL MEETING, MANAGEMENT BOARD, EMPLOYEE-PARTICIPATION BODIES AND THE EXECUTIVE COMMITTEE

General Meeting

- 8.1 The Supervisory Board adequately provides any information the General Meeting requires, unless overriding interests (*zwaarwegende belangen*) of the Company or any laws, rules or regulations applicable to the Company prevent the Supervisory Board from doing so.

- 8.2 If the Supervisory Board decides not to provide the General Meeting with all information requested based on overriding interests of the Company, the Supervisory Board must explain this.
- 8.3 A shareholder can only exercise the right to put items on the agenda of a General Meeting after consultation with the Management Board. If one or more shareholders intend to request that an item be put on the agenda that may result in a change in the Company's strategy, the Management Board shall be given the opportunity to stipulate a reasonable period in which to respond. The relevant shareholder shall respect the response time stipulated by the Management Board, within the meaning of best practice provision 4.1.7.
- 8.4 Managing Directors and Supervisory Directors nominated for appointment attend the General Meeting at which votes will be cast on their nomination. The external auditor may be questioned by the general meeting in relation to his report on the fairness of the financial statements. The external auditor for this purpose attends and is entitled to address this meeting.

Management Board – approval by the Supervisory Board

- 8.5 In accordance with article 16 of the Company's articles of association the Supervisory Board may make certain Management Board resolutions subject to Supervisory Board approval. These resolutions must be clearly specified and communicated in writing to the Management Board.
- 8.6 In addition to Management Board resolutions that are subject to the Supervisory Board's approval pursuant to the law, the Articles of Association or the Management Board rules, Schedule 3 to the Management Board rules lists the resolutions that the Supervisory Board has made subject to Supervisory Board approval.

Management Board - annual evaluation

- 8.7 The Supervisory Board regularly, and at least annually, evaluates the performance of the Management Board and the Managing Directors. The evaluation takes place without the Managing Directors being present. The Supervisory Board discusses the conclusions further to the evaluation also in the light of succession of the Managing Directors.

Managing Directors and majority shareholders - conflicts of interest

- 8.8 The Supervisory Board is responsible for dealing with conflicts of interest between Managing Directors or majority shareholders and the Company. Clause 5 of the Management Board rules sets out the rules on conflicts of interest for Managing Directors.
- 8.9 All transactions between the Company and legal or natural persons who hold at least ten percent of the shares in the Company that are of material significance to the Company or to those persons require the approval of the Supervisory Board. The Supervisory Board will only grant its approval if the transaction is to be entered into by the Company on terms that are customary in the market.

Executive Committee - evaluation and remuneration senior management employees

- 8.10 The Company has no executive committee within the meaning of best practice provision 2.1.3 of the Code.

- 8.11 The Supervisory Board regularly evaluates the performance of the senior management employees. At least annually, the Management Board and the Supervisory Board discuss the remuneration of senior management employees.

Employee Representation

- 8.12 The Company has no Works Council or Central Works Council. The relationship with works councils or employee representation organisations is maintained at the level of the entities which employ the staff in the different jurisdictions where the Group operates.

9 EVALUATION OF SUPERVISORY DIRECTORS

Evaluation of Supervisory Directors

- 9.1 The Chairman of the Supervisory Board is the main contact on behalf of the Supervisory Board regarding the performance of Supervisory Directors other than the Chairman. The Vice-Chairman is the main contact on behalf of the Supervisory Board regarding the Chairman's performance.
- 9.2 The Supervisory Board regularly, and at least annually, evaluates its own and the Supervisory Directors' performance. The Supervisory Board discusses the conclusions and pays attention to:
- (a) substantive aspects, the mutual interaction and the interaction with the Management Board;
 - (b) events that occurred in practice from which lessons may be learned; and
 - (c) the desired profile, composition, competencies and expertise of the Supervisory Board.

10 POSITIONS OUTSIDE THE COMPANY

- 10.1 Supervisory Directors shall inform the Supervisory Board before accepting positions outside the Company. Supervisory 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.

11 CONFIDENTIALITY

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

12 MISCELLANEOUS

- 12.1 The Supervisory Board may occasionally resolve not to comply with these Rules. The Supervisory Board may amend these Rules.
- 12.2 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.

- 12.3 These Rules are governed exclusively by Dutch law. 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

"**Appointment and Remuneration Committee**" means the committee of the Supervisory Board referred to in clause 3.5(b);

"**Audit and Finance Committee**" means the committee of the Supervisory Board referred to in clause 3.5(a);

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

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

"**Chairman**" means the Supervisory Director with the title Chairman, in accordance with clause 2.4;

"**Chief Executive Officer**" means the chief executive officer of the Company;

"**Chief Financial Officer**" means the chief financial officer of the Company;

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

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

"**Company Secretary**" means the company secretary appointed in accordance with clause 4.1;

"**General Meeting**" means the corporate body that consists of shareholders and all other persons with meeting rights / the meeting in which the shareholders and all other persons with meeting rights assemble;

"**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;

"**Rules**" means these rules of the Supervisory Board;

"**Schedule**" means a schedule to these Rules;

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

"**Supervisory Director**" means a member of the Supervisory Board;

"**Technical and Commercial Committee**" means the committee of the Supervisory Board referred to in clause 3.5(c); and

"**Vice-Chairman**" means the Supervisory Director with the title Vice-Chairman, in accordance with clause 2.4.

SCHEDULE 2 PROFILE OF THE SUPERVISORY BOARD

1 GENERAL

- 1.1 This profile was prepared taking into account the nature of the Company's business and its activities.
- 1.2 This profile sets out:
- (d) the size of the Supervisory Board;
 - (e) the desired expertise and background represented in the Supervisory Board;
 - (f) the desired diversity among Supervisory Directors; and
 - (g) the desired independence of Supervisory Directors.
- 1.3 The Supervisory Board considers this profile when preparing nominations of persons to be appointed as Supervisory Directors

2 SIZE AND COMPOSITION

- 2.1 The Supervisory Board consists of at least three members.
- 2.2 The desired composition of the Supervisory Board is such that the combined experience, expertise and diversity of the Supervisory Directors enables the Supervisory Board to best carry out its responsibilities. Each Supervisory Director has the specific expertise required for the fulfilment of his or her duties. Each Supervisory Director must be capable of assessing the broad outline of the overall management.
- 2.3 In particular, the desired composition of the Supervisory Board must include the following areas of expertise and backgrounds among its members:
- (a) financial administration and accounting, and internal risk management and control systems;
 - (b) management strategy and risks inherent to the Company's business;
 - (c) management selection, recommendation and development; and
 - (d) compliance, constitutive documents/articles of association, stock exchange rules, corporate governance.
- 2.4 The Supervisory Board includes individuals of diverse nationality and its members are selected and recommended according to the following criteria of experience:
- (a) relevant geographic regions;
 - (b) current and former executive and non-executive directorships;
 - (c) energy industry, government relations and regulatory affairs;

- (d) management of major projects;
- (e) technology and new business models;
- (f) banking and M&A;
- (g) information technology; and
- (h) human resources management

2.5 The desired composition of the Supervisory Board complies with the Company's diversity policy considering nationality, age and gender.

3 INDEPENDENCE

3.1 The desired composition of the Supervisory Board enables Supervisory Directors to operate independently, including the ability to operate critically with one another, the Management Board, and any particular interests involved.

3.2 In particular, the desired composition of the Supervisory Board ensures that:

- (a) at most one Supervisory Director does not qualify as independent pursuant to best practice provision 2.1.8 sections (i) to (v) inclusive of the Code;
- (b) less than half of the Supervisory Directors do not qualify as independent pursuant to best practice provision 2.1.8 of the Code; and
- (c) for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the Company's share capital, there is at most one Supervisory Director who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8 sections (vi) and (vii) of the Code.

SCHEDULE 3 GENERAL RESPONSIBILITIES OF THE SUPERVISORY BOARD**1 GENERAL RESPONSIBILITIES OF THE SUPERVISORY BOARD**

- 1.1 The Supervisory Board supervises the policies, management and the general affairs of the Group. The Supervisory Board assists the Management Board with advice on general policies related to the Company and its business.
- 1.2 The Supervisory Board supervises how the Management Board determines its position on the long-term value creation strategy and how the Management Board implements that strategy. The Supervisory Board regularly discusses the strategy, the implementation of the strategy and the principal risks associated with it.
- 1.3 In fulfilling its responsibilities, the Supervisory Board is guided by the interests of the Company and its business. The Supervisory Board stimulates openness and accountability.
- 1.4 The responsibilities of the Supervisory Board include supervising and advising the Management Board with respect to the following responsibilities of the Management Board:
- (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) overseeing the 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 report, the annual budget and significant capital expenditures;
 - (k) maintaining relations with shareholders.
 - (l) monitoring corporate social responsibility issues; and
 - (m) 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.

- 1.5 In addition, the responsibilities and tasks of the Supervisory Board include:
- (a) drawing up the Company's diversity policy for the composition of the Management Board and the Supervisory Board;
 - (b) selecting and nominating individuals for appointment by the General Meeting as Managing Director;
 - (c) proposing the remuneration policy for Managing Directors for adoption by the General Meeting and determining the remuneration and the employment terms for the individual Managing Directors in conformity with the remuneration policy;
 - (d) selecting and nominating individuals for appointment by the General Meeting as Supervisory Directors;
 - (e) proposing the remuneration for Supervisory Directors for adoption by the General Meeting;
 - (f) reviewing the performance of the Supervisory Board, its committees, and individual Supervisory Directors and discussing the conclusions that must be drawn on the basis of this review at least on an annual basis;
 - (g) reviewing the performance of the Management Board and individual Managing Directors and discussing the conclusions that must be drawn on the basis of this review at least on an annual basis;
 - (h) selecting and nominating for appointment by the General Meeting of the Company's external auditor;
 - (i) reviewing and approving any resolution of the Management Board concerning matters that require approval of the Supervisory board pursuant to the law, the Articles of Association or clause 8.68.5 of the rules of the Supervisory Board; and
 - (j) being responsible for the decision making on dealing with conflicts of interest regarding Managing Directors, Supervisory Directors and majority shareholders in relation to the Company;
- 1.6 The Management Board shall provide the Supervisory Board each year with the Company's strategy plan including the operating plan for the coming 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.

SCHEDULE 4 RULES GOVERNING AUDIT AND FINANCE COMMITTEE OF THE SUPERVISORY BOARD

1 RESPONSIBILITIES AND COMPOSITION OF THE AUDIT AND FINANCE COMMITTEE

Responsibilities

- 1.1 The Audit and Finance Committee prepares the Supervisory Board's decision making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems.
- 1.2 The Audit and Finance Committee focuses on monitoring the Management Board in matters including:
- (a) relations with the internal and external auditors, and compliance with and follow-up on their recommendations and comments;
 - (b) the Company's funding;
 - (c) the application of information and communication technology by the Company, including risks relating to cybersecurity; and
 - (d) the Company's tax policy.
- 1.3 In addition, the Audit and Finance Committee carries out the following duties:
- (a) recommending persons for appointment as internal auditor;
 - (b) forming a position on how the internal audit function fulfils its responsibility;
 - (c) if the Company does not have an internal audit department, recommending to the supervisory board whether adequate alternative measures have been taken;
 - (d) monitoring the financial reporting process and where necessary ensuring that proposals are drawn up to safeguard the integrity of this process;
 - (e) monitoring the effectiveness of the internal control systems, the internal audit function and risk management systems with regard to the Company's financial reporting;
 - (f) monitoring the statutory audit of the annual accounts and the consolidated annual accounts;
 - (g) assessing and monitoring the independence of the external auditor or the audit firm, as applicable, specifically taking into account the provision of any ancillary services to the Company;
 - (h) determining the selection process for the external auditor or the audit firm, as applicable, of the Company and the nomination regarding the assignment to carry out the statutory audit; and
 - (i) coordinating and monitoring compliance with best practice provisions 1.3.1 through 1.3.5 (internal audit) and 1.6.1 through 1.7.6 (external audit) of the Code.

Composition

- 1.4 The Supervisory Board determines the size of the Audit and Finance Committee, provided that the Audit and Finance Committee consists of at least three members.
- 1.5 More than half of the members of the Audit and Finance Committee must be independent pursuant to best practice provision 2.1.8 of the Code.
- 1.6 The Chairman or a former Managing Director cannot serve as chairman of the Audit and Finance Committee. The chairman of the Audit and Finance Committee must be independent pursuant to best practice provision 2.1.8 of the Code.
- 1.7 At least one member of the Audit and Finance Committee must have specific expertise in financial reporting and in the reviewing of financial reports.

2 MEETINGS AND DECISION-MAKING

- 2.1 Clause 5 of the Supervisory Board rules applies equally to the meetings and decision making of the Audit and Finance Committee, provided that:
 - (a) meetings of the Audit and Finance Committee are attended by the Chief Financial Officer, the internal auditor and the external auditor, unless the Audit and Finance Committee determines otherwise; and
 - (b) the Audit and Finance Committee may decide that, and if so when, the Chief Executive Officer attends its meetings.

3 REPORT TO THE SUPERVISORY BOARD

- 3.1 The Audit and Finance Committee reports on its deliberations and findings to the Supervisory Board. This report includes information on how the duties of the Audit and Finance Committee were carried out in the financial year, and also reports on the composition of the Audit and Finance Committee, the number of meetings of the Audit and Finance Committee and the main items discussed at those meetings.
- 3.2 In particular, the Audit and Finance Committee reports on the results of the annual statutory audit to the Supervisory Board. This report includes information on how the audit has contributed to the integrity of the financial reporting, and also reports on the role of the Audit and Finance Committee in the audit.

SCHEDULE 5 RULES GOVERNING THE APPOINTMENT AND REMUNERATION COMMITTEE OF THE SUPERVISORY BOARD

The Appointment and Remuneration Committee consists of the Appointment Committee and the Remuneration Committee.

1 RESPONSIBILITIES AND COMPOSITION OF THE APPOINTMENT COMMITTEE

Responsibilities

- 1.1 The Appointment Committee prepares the Supervisory Board's decision making regarding:
- (a) the drawing up of selection criteria and appointment procedures for Managing Directors and Supervisory Directors;
 - (b) the periodical assessment of the size and composition of the Management Board and the Supervisory Board, and the making of proposal for a composition profile of the Supervisory Board;
 - (c) the periodical assessment of the performance of individual Managing Directors and Supervisory Directors and reporting this to the Supervisory Board;
 - (d) the drawing up of a plan for the succession of Managing Directors and Supervisory Directors;
 - (e) the proposal for appointment and reappointment of Managing Directors and Supervisory Directors;
 - (f) the supervision of the policy of the Management Board regarding the selection criteria and appointment procedures for senior management; and
 - (g) the drawing up of the Company's diversity policy for the composition of the Management Board and the Supervisory Board.

Composition

- 1.2 The Supervisory Board determines the size of the Appointment Committee, provided that the Appointment Committee consists of at least three members.
- 1.3 Members of the Appointment Committee are appointed by the Supervisory Board.
- 1.4 More than half of the members of the Appointment Committee must be independent pursuant to best practice provision 2.1.8 of the Code.

Chairman

- 1.5 The Supervisory Board appoints one of its members as chairman of the Appointment Committee.

2 MEETINGS AND DECISION MAKING

- 2.1 Clause 5 of the Supervisory Board rules applies equally to the meetings and decision making of the Appointment Committee.

3 REPORT TO THE SUPERVISORY BOARD

- 3.1 The Appointment Committee reports on its deliberations and findings to the Supervisory Board. This report includes information on how the duties of the Appointment Committee were carried out in the financial year, and also reports on the composition of the Appointment Committee, the number of meetings of the Appointment Committee, and the main items discussed at those meetings.

4 RESPONSIBILITIES AND COMPOSITION OF THE REMUNERATION COMMITTEE

Responsibilities

- 4.1 The Remuneration Committee prepares the Supervisory Board's decision making regarding the determination of the remuneration of individual Managing Directors, including severance payments.
- 4.2 The Remuneration Committee submits a proposal to the Supervisory Board concerning the remuneration of Managing Directors. The proposal is drawn up according to the remuneration policy that has been established and in any event covers:
- (a) the remuneration structure;
 - (b) the amount of the fixed and variable remuneration components;
 - (c) the performance criteria used;
 - (d) the scenario analyses that are carried out; and
 - (e) the pay ratios within the Company and its business.
- 4.3 The Remuneration Committee will take note of individual Managing Directors' own views with regard to the amount and structure of their own remuneration. The Managing Directors will be requested to pay attention to the aspects referred to under (a) through (e) of clause 4.2 of these Remuneration Committee Rules.
- 4.4 The Remuneration Committee prepares a proposal for the Supervisory Board's remuneration to the general meeting. The remuneration of Supervisory Directors promotes an adequate performance of their role and is not dependent on the results of the Company. The remuneration of the Supervisory Directors reflects the time spent and the responsibilities of their role. Supervisory Directors are not awarded remuneration in the form of shares and/or rights to shares. Shares held by a Supervisory Director in the Company are held as long-term investments.

Composition

- 4.5 The Supervisory Board determines the size of the Remuneration Committee, provided that the Remuneration Committee consists of at least three members.
- 4.6 Members of the Remuneration Committee are appointed by the Supervisory Board.
- 4.7 More than half of the members of the Remuneration Committee must be independent pursuant to best practice provision 2.1.8 of the Code.

Chairman

- 4.8 The Supervisory Board appoints one of its members as chairman of the Remuneration Committee.
- 4.9 The Chairman or a former Managing Director cannot serve as chairman of the Remuneration Committee.

5 MEETINGS AND DECISION MAKING

- 5.1 Clause 5 of the Supervisory Board rules applies equally to the meetings and decision making of the Remuneration Committee.

6 REPORT TO THE SUPERVISORY BOARD

- 6.1 The Remuneration Committee reports on its deliberations and findings to the Supervisory Board. This report includes information on how the duties of the Remuneration Committee were carried out in the financial year, and also reports on the composition of the Remuneration Committee, the number of meetings of the Remuneration Committee and the main items discussed at those meetings.

SCHEDULE 6 RULES GOVERNING THE TECHNICAL AND COMMERCIAL COMMITTEE OF THE SUPERVISORY BOARD

1 RESPONSIBILITIES AND COMPOSITION OF THE TECHNICAL AND COMMERCIAL COMMITTEE

Responsibilities

- 1.1 The Technical and Commercial Committee prepares the Supervisory Board's decision making regarding:
- (a) health, safety, security and environment (HSSE), quality and related improvements plans;
 - (b) Operational performance of the Company;
 - (c) Project execution;
 - (d) Sales, marketing and tender activities;
 - (e) Technology and Innovation developments; and
 - (f) Risk management in relation to the topics set out in this clause.

Composition

- 1.2 The Supervisory Board determines the size of the Technical and Commercial Committee, provided that the Technical and Commercial Committee consists of at least three members.
- 1.3 Members of the Technical and Commercial Committee are appointed by the Supervisory Board.
- 1.4 More than half of the members of the Technical and Commercial Committee must be independent pursuant to best practice provision 2.1.8 of the Code.

Chairman

- 1.5 The Supervisory Board appoints one of its members as chairman of the Technical and Commercial Committee.

2 MEETINGS AND DECISION MAKING

- 2.1 Clause 5 of the Supervisory Board rules applies equally to the meetings and decision making of the Technical and Commercial Committee.

3 REPORT TO THE SUPERVISORY BOARD

- 3.1 The Technical and Commercial Committee reports on its deliberations and findings to the Supervisory Board. This report includes information on how the duties of the Technical and Commercial Committee were carried out in the financial year, and also reports on the composition of the Technical and Commercial Committee, the number of meetings of the Technical and Commercial Committee, and the main items discussed at those meetings.
