

**MINUTES**  
**of the General Meeting of SBM Offshore N.V. ("SMB Offshore" or the "Company"),**  
**held on**  
**13 April 2017 at 2:30 pm at Hilton Hotel, Schiphol, the Netherlands**

132,849,163 ordinary shares –out of a total of 213,471,305 issued ordinary shares – were represented at the meeting. This represented 62.23% of the total issued share capital.

## **1 Opening**

**The Chairman** opened the meeting and welcomed those present.

The Chairman mentioned that the meeting would be held in English and started with some technical and administrative points. All members of the Supervisory Board and Management Board and the Company Secretary, Ms Van Nood, were present. The minutes were taken by Ms Snijder-Kuipers, candidate civil-law notary at De Brauw Blackstone Westbroek. The meeting was recorded for purpose of minuting. The electronic voting system was used.

The agenda with attachments for this meeting was published on 1 March 2017 on Securities info, ABN AMRO e-voting and the Company's website. The agenda with attachments, the annual report and the consolidated financial statements were made available free of charge at the offices of the Company, at the office of ABN AMRO in Amsterdam and on the website of the Company. They were sent to those shareholders who requested hard copies. There were no requests from shareholders holding 1% or more of the ordinary shares to include additional items on the agenda. The registration date to attend this meeting was 16 March 2017. Registration for this meeting was possible until 5 April 2017. In accordance with the Dutch Corporate Governance Code, the draft minutes of last year's AGM were posted on the Company's website within three months after that meeting. No comments were received. The minutes were subsequently adopted and posted on the Company's website. For the minutes of the Extraordinary General Meeting on 30 November 2016 the same procedure was followed.

The Chairman concluded that all legal and statutory requirements had been satisfied. The AGM had the authority to adopt resolutions as per the meeting agenda. As of the registration date the total issued share capital was EUR 53,367,826 or 213,471,305 shares and 202,206,877 voting rights.

## **2 Report of the Management Board for the financial year 2016 (*information*)**

**The Chairman** showed a video about SBM Offshore's activities. Mr Chabas, SBM Offshore's Chief Executive Officer ("**CEO**"), informed the meeting of the Company's performance and the outlook for the upcoming year. Mr Wood, SBM Offshore's Chief Financial Officer ("**CFO**"), presented the financial results.

### **Total Overview**

**Mr Chabas** stated that three FPSOs had been delivered in 2016. They were delivered on time and to the satisfaction of the clients.

The financials show a decrease in the Company's turnover year on year by USD 600 million, driven by the low level of Turnkey activity. The underlying EBITDA has increased by 8% year on year. This consists of its current backlog around USD 17 billion at the end of 2016. The net debt has remained year on year at the same level, while through the year more than USD 200 million has been distributed through dividend and share buy-back.

In general, the safety performance has improved over the past few years, but this was not the case for 2016. This had to do with the new vessels going into production. These challenges have been and are being addressed by the Company. Safety remains SBM Offshore's top priority.

Proactive actions were taken by SBM Offshore's employees to reduce the impact on the environment.

For the past four years, the Company has worked on the compliance issues from the past, liaising with the authorities and progress has been made with the Brazilian authorities last year.

#### **FY 2016 review**

**Mr Chabas** reported that clients remain hesitant to invest in major projects. SBM Offshore expects a slow recovery in 2017 and 2018. No new FPSO projects were awarded in 2016. SBM Offshore expects that in the overall market two to seven FPSOs may be awarded in 2017. The medium-term forecast is a market demand of seven to eight FPSOs being awarded per year in the industry as a whole. In this medium-term forecast, SBM Offshore is expected to have a good position.

**Mr Chabas** stated that the Company has developed a strategy based on three pillars, which are (1) Optimize, including adaption of the Company to the market, (2) Transform and (3) Innovate. Transformation consists of the Fast4Ward project, which builds on SBM Offshore's experience in FPSO projects and operations. SBM Offshore is also providing solutions for the floating windmill market.

#### **Results**

**Mr Wood** stated that the results were in line with the expectations for 2016. The cash flow figures have turned positive for the first time since 2012. SBM Offshore's strong cash flow was driven by the Lease & Operate segment and resulted in an increase in cash. Net debt remained essentially flat, compared to 2015.

**Mr Wood** reported that the completion of three FPSOs in 2016 led to a transition in results from the Turnkey Segment to the Lease and Operate Segment. On an underlying basis (adjusted for one-off items) the increase in lease and operate EBITDA more than offset the decline in Turnkey.

**Mr Wood** reported that the backlog of the Company demonstrates a solid foundation for the future. The Lease & Operate segment has USD 17 billion of future contractually committed revenues with 13 years maturity and this includes extensions. The expected average EBITDA margin of 63% was achieved during 2016, which expectation is maintained going forward.

#### **Outlook for 2017**

**Mr Wood** stated that based on the improvement of cash flow at the beginning of last year, SBM Offshore decided to restart distribution of dividend and execute a programme to buy-back shares. As a result, the Company managed to return approximately USD 1 per share to shareholders. The dividend proposal for the year 2016 is based on approximately 30% of the underlying directional net income of 2016, an increase of 10%. A cash dividend payment of USD 0.23 per share will be proposed during this AGM.

SBM Offshore intends to reinforce its dividend policy with the aim to grow dividends over time. SBM Offshore is incorporating the consideration of the outlook for overall cash flow position and earnings, as well as the current year performance. The framework of 25% to 35% pay-out of directional net income is also maintained from the existing policy and transferred into the new one.

**Mr Wood** concluded that the revenue guidance for 2017 is expected to come in around USD 1.7 billion, which is a decrease compared to 2016. The decrease is a result of low order intake over the last years in the Turnkey business, for which the Company guides for around US\$ 200 million in revenues in 2017. The Lease & Operate activities are therefore expected to deliver approximately USD 1.5 billion in revenues. The Company guides around USD 750 million for EBITDA. This is in line with 2016 results. The Lease & Operate portfolio will help bridge the anticipated gradual uptake in orders in Turnkey.

**The Chairman** opened the floor for questions.

**Ms Lindeman** (*NN Investment Partners, Robeco and Menzis*) asked if SBM Offshore is willing to increase the country risk of Brazil any further and if so what measures will be taken to mitigate this risk, regarding the high dependency on Petrobras and the growth opportunities in the FPSO which are skewed towards Brazil (*first question*). Ms Lindeman asked if the Company developed long-term targets in terms of health and safety and if it is expected that the incident rate will be lowered with each financial year (*second question*). Ms Lindeman asked in addition to the second question what the plans are for the financial year 2017 in terms of health and safety programme implementation and how SBM Offshore is going to ensure that each employee carries out all the health and safety policies.

**Mr Lagendijk**, SBM Offshore's Chief Governance and Compliance Officer ("**CGCO**"), replied (*first question*) that assessing country risks is standard part of the Company's risk management procedures. Even though SBM Offshore has a sizable exposure in Brazil, it is predominantly operating in the offshore market in this segment. The risk is being monitored and there are regular updates on the financial situation of Petrobras. Mr Lagendijk stated that SBM Offshore is willing to grow its activities in Brazil. At the same time, the Company is also pursuing opportunities in other countries that level the footprint.

**Mr Chabas** added that in the past international oil companies were not allowed to operate in Brazil, while today the market is opening up, leading to more opportunities for international oil companies, which is another way to diversify management of risks in Brazil.

**Mr Barril** replied (*second question*) that the intention was to meet the fleet safety performance of 2015 and to lower the incident rate, but this did not happen. For 2017, the Company has looked at the performance in Turnkey and has set the ambition on what has been achieved in 2016 (0.31). Mr Barril replied (*third question*) that people always have good intentions and sometimes feel that they have to carry out an activity quicker or in another way than permitted under the Company's (safety) procedures. One of the strong fundamentals of the HSSE system is the enforcement of the permit to work principle. Efforts will be continued and employees will be trained and supported to achieve this. An important day for the SBM Offshore community is 16 May 2017, which will be fully dedicated to HSSE.

**Mr Chabas** added that the aim is no harm to people, no impact on the environment, and no damage to equipment. Transparency in the performance is important. That is SBM Offshore's vision on the Health, Safety, Security and Environment.

**Mr Jorna** (*Vereniging van Effectenbezitters*) asked what the Brazilian's Fifth Chamber's objections were, and what the financial expectations are since the recent conviction of Odebrecht of 2.5 billion, while SBM Offshore only has a provision of USD 245 million (*first question*). Mr Jorna then asked if the internal investigation into Unaoil has been completed and what the results are. Mr Jorna stated that the Department of Justice of the United States of America ("**DoJ**") has requested information and he asked if the DoJ suspects that SBM Offshore, through Unaoil, has violated US legislation or embargoes (*second question*). Mr Jorna asked (*third question*) why the lawsuit in the Netherlands against Mr Taylor has been revoked and if the lawsuit in Monaco has been revoked as well. In addition Mr Jorna asked whether SBM Offshore expects a lawsuit from Mr Taylor. Finally (*fourth question*), in terms of patents, Mr Jorna asked if lawsuits are pending.

Before handing the floor over to Mr Lagendijk, **the Chairman** emphasized that in April 2012, SBM Offshore self-reported with the authorities based on all the aspects which were known at that moment.

Regarding Brazil (*first question*) **Mr Lagendijk** answered that in July 2016 the Company signed a leniency agreement with the Brazilian authorities and Petrobras. Brazil has new legislation that gives a particular position to different authorities. Sometimes they are conflicting, which is not helpful for SBM Offshore. SBM Offshore does not control the timing of settlement discussions and cannot predict what will happen at one point in time. The Company cannot comment on Odebrecht. Concerning the decision of the Fifth Chamber to refer the case back to the prosecutor, SBM Offshore is in the process of discussing the points raised by the Fifth Chamber, which are not only procedural but also concern content. The settlement is not just with the public prosecutor, but it is also a settlement for payment for alleged damages to Petrobras. Other authorities are also involved.

**Mr Lagendijk** replied (*second question*) that the Unaoil case concerns a global investigation. SBM Offshore worked with Unaoil as an agent with regard to business in Iraq and Kazakhstan. The information provided to the US DoJ refers to these projects. Exact details of what has been provided, cannot be given. The process of sharing information with the DoJ is coming to an end and SBM Offshore is now in discussion with the US DoJ to assess whether a solution can be reached. The Company will inform the market as soon as further information can be provided.

**Mr. Lagendijk** replied (*third question*) that after the leniency agreement with the Brazilian authorities was signed SBM Offshore preferred to concentrate on the business and the future. The conflict with Mr Taylor is not regarded as very relevant for the Company anymore. The Dutch court will decide on the Company's request to close the civil proceedings. The Company may be ordered to award Mr Taylor a certain amount of compensation for the costs that Mr Taylor had to make in order to defend himself in these proceedings. It is not possible to comment on the criminal proceedings against Taylor in Monaco, because it is up to the Monaco authorities to pursue that matter.

**Mr Lagendijk** replied (*fourth question*) that intellectual property is a very important aspect of the business. Technology has to be protected.

**Mr Jorna** (*Vereniging van Effectenbezitters*) asked if SBM Offshore, in relation to Unaoil, violated any US legislation in the context of Saddam Hussein's regime in Iraq. And he asked if these claims could involve a higher amount than the settlement amount.

**Mr Lagendijk** replied that the dealings with Unaoil have no bearing with trade sanctions.

**Mr Spanjer** asked whether it is Petrobras or Royal Dutch Shell which has two out of the three rented FPSOs in use.

**The Chairman** replied that it is Petrobras.

**Mr Spanjer** asked what the specific cause is for the Brazilian Fifth Chamber to take another look at the leniency agreement and which points are seen as unacceptable.

**Mr Lagendijk** replied that it is difficult to explain what the concerns are. For instance, one issue is the question whether or not the Company has provided enough information to the Brazilian authorities. Another issue is that in the leniency agreement, part of the money goes to two authorities that signed the agreement. Now there is a debate in Brazil whether that is constitutional or not.

**Mr Spanjer** asked if the reopening of the US DoJ's investigation took place before or after 8 November 2016.

**Mr Lagendijk** replied that the US DoJ reopened its investigation following the charges that were brought against individuals by the Federal Prosecutor in Brazil at the end of 2015, so this was prior to 8 November 2016.

**Mr Dirkzwager** asked (*first question*) who the biggest competitors are in the FPSO field and (*second question*) if SBM Offshore has already placed bids in Brazil.

**Mr Chabas** replied (*first question*) that Modec is the primary competitor. Mr Chabas replied (*second question*) that the Company does not comment on the commercial positioning or tendering activities in different countries.

**Mr Heineman** complimented SBM Offshore on the stable results compared to other companies in the same sector and asked for an explanation, given the low oil prices (*first question*). Mr Heineman asked how it is possible that SBM Offshore is involved in legal proceedings in Iraq, considering that Iraq is a state without government (*second question*). Mr Heineman asked if SBM Offshore could use the inoperative equipment of for example Fugro for gas extraction and could attract employees who have been made redundant, so their expertise would not get lost (*third question*). Mr Heineman mentioned that governments are now in favour of renewable energy and this could have a negative impact on the results of SBM Offshore.

**The Chairman** thanked Mr Heineman for the compliment about the Company's performance. The principal reason for SBM Offshore's solid financial position (*first question*) is that it has a backlog of USD 17 billion, which consists of the Lease & Operate contracts, lasting for up to 15 more years.

**Mr Lagendijk** stated (*second question*) that there are no legal proceedings in Iraq. Iraq was mentioned in relation to Unaoil

**Mr Lagendijk** answered (*third question*) that SBM Offshore believes that there is a future for fossil fuels for the years to come. So SBM Offshore is not worried that it will shortly be out of business, but it acknowledges the energy transition developments in the world and seeks to participate in those developments.

**Mr Heineman** asked if SBM Offshore also has a perspective on wind energy and if platforms would need to be developed to stabilise them at sea.

**Mr Lagendijk** confirmed that that SBM Offshore is currently performing a study regarding offshore floating wind solutions in the south of France.

**Mr Schaap** (VBDO) asked if SBM Offshore is willing to commit to publication of a concrete renewable energy solution agenda with the relevant targets for 2017 (*first question*). Mr Schaap asked if SBM Offshore has data regarding actual compliance with the supply chain charter, what the goals are for improving the compliance, and what the specific targets and actions are (*second question*). Finally, Mr Schaap asked (*third question*) if SBM Offshore is willing to commit to working with other stakeholders, next to current stakeholders, to develop and implement a sustainability strategy towards opportunities of the Sustainable Development Goals and climate change.

**Mr Lagendijk** replied (*first question*) that SBM Offshore does not give targets for its Renewables activities, but that there is an internal programme. There is a project development scheme, using the methodology of technology readiness levels.

**Mr Schaap** (VBDO) asked if SBM Offshore would be willing to commit to report the internal processes in place (maybe not specific targets) on the agenda or in the annual reports in 2017.

**Mr Lagendijk** replied that if there are any relevant material developments, SBM Offshore will speak about them, but the Company is not willing to commit to having predictions about its Renewables activities. Mr Lagendijk also replied to the question regarding the supply chain charter (*second question*). SBM Offshore's rules provide that supply chain parties sign up to the same standards that the Company applies, specifically looking at key suppliers. Suppliers are not only asked to apply these standards, clients also increasingly expect SBM Offshore to apply the standards. SBM Offshore has not yet reported on numbers or percentages and cannot commit to this, but at some point in the future the Company may communicate on the matter. Mr Lagendijk thanked (*third question*) Mr Schaap for the suggestion concerning engagement towards the development of the Sustainable Development Goals. SBM Offshore recognises that it is a matter of engagement and believes that the development of sustainability and renewable energy is not a stand-alone activity.

**Mr Jorna** (*Vereniging van Effectenbezitters*) asked if Bloomberg's 5 April news release is correct about the fact that SBM Offshore has been invited to participate in Petrobras' tender for Project Libra (*first question*). In addition, Mr Jorna asked if the tender is subject to the condition that the settlement is finalised. Regarding renewable energy, Mr Jorna asked which oil price is needed to attract clients to order FPSOs with SBM Offshore and if SBM Offshore will do without if the prices stay around EUR 50 (*second question*).

**Mr Chabas** replied that a number of fields cannot be developed today at an oil price below USD 40 or USD 30. It is up to clients to decide whether they have the capacity to invest in those projects and to go for tender. The demand for new FPSOs for 2017 and 2018 is expected to increase. The market is moving, despite the fact that the oil price is still low and shale oil is a competitor to deep water oil projects. There are some fields which can be developed at a reasonably low break-even point.

**Mr Jorna** (*Vereniging van Effectenbezitters*) asked which oil price level SBM Offshore needs to break even.

**Mr Chabas** replied that the (non predictive) assumption is that going forward the oil price will remain at the level of around USD 50 per barrel (*second question*).

**Mr Chabas** replied (*first question*) that the policy for the past five years has been never to comment on the positioning on the market or the projects under which SBM Offshore is tendering. The view of SBM Offshore is that the Company should be allowed to tender and be awarded projects in Brazil.

### **3. Report the Supervisory Board and of its committees for the financial year 2016 (information)**

**The Chairman** stated that the Supervisory Board in 2016 supervised the business and activities of the Company and held a number of formal scheduled meetings, special or ad hoc meetings, conference calls and regular informal contacts. Special attention was paid to the strategy of the Company in relation to the lack of new projects and cost savings. The development of the Fast4Ward multi-purpose floater concept is one of the topics discussed by the Management Board and the Supervisory Board. Three FPSOs, which were awarded in 2013, were successfully delivered in 2016. The commercial activities and new FEED contracts were reviewed by the Supervisory Board.

**Ms Lindeman** (*NN Investment Partners, Robeco and Menzis*) asked about the outcome of the evaluation of the effectiveness of the internal risk management procedures (*first question*). Then Ms Lindeman asked what the findings were of the Supervisory Board evaluation and if a skills assessment within the Supervisory Board was developed (*second question*).

**Mr Gugen** replied (*first question*) about risk that the process starts with having a look at the risk universe by the Management Board which is presented at least once a year to the Supervisory Board. The audit committee, in particular, looks at risks and changes in risks in each meeting and reports to the Supervisory Board.

**The Chairman** replied (*second question*) that the most important outcome of the evaluation related to the way the Supervisory Board discusses strategy with the Management Board. The Renewables and Gas initiatives of the Company require new business models. It was decided to extend the Supervisory Board meeting time and a separate Supervisory Board meeting has been introduced outside the presence of the Management Board.

Furthermore, a detailed competency matrix has been established for the Supervisory Board to assess skills within the Supervisory Board. Items on the list are, for example, experience on various continents, management board experience, non-executive directorships, competencies relating to the energy industry, an up-to-date network in the energy industry, M&A experience, IT and HR competence, and project-managing experience.

**Mr Dirkzwager** asked to explain the following sentence in the Annual Report, namely "SBM did not enter into transactions with persons who hold at least ten percent (10%) of the shares in the Company, where there were conflicts of interest of material significance to the Company."

**Mr Lagendijk** replied that this is a formality. Such transactions would need to be reported.

**Mr Jorna** (*Vereniging van Effectenbezitters*) asked about the compliance issues concerning Brazil and especially the prosecution of former board members Mr Mace and Mr Keller (*first question*). Mr Jorna asked if Mr Zubiante is still employed by the Company (*second question*).

**Mr Lagendijk** stated that the document made public by the Brazilian prosecutor in December 2015 includes allegations against the persons mentioned. SBM Offshore follows the developments to see whether there is any relevance for the Company. At this time Mr Lagendijk cannot comment on that (*first question*). Mr Zubiante is no longer an employee of the Company (*second question*).

### **4 Remuneration Report 2016 (information)**

**The Chairman** stated that the current remuneration policy was approved in the AGM of 2014.

**Mr Deckers**, chairman of the Appointment & Remuneration Committee dealing with remuneration matters, stated that the Appointment & Remuneration Committee met six times in 2016. The current remuneration policy consists of four components; (1) a Base Salary, (2) a Short-Term Incentive, (3) a Long-Term Incentive, (4) and a pension payment. Considering the downturn in the market, the Company has performed very well in 2016. SBM Offshore remains financially stable.

In 2016 and based on the remuneration policy, less remuneration was paid to the Management Board over 2016. The Management Board has made a gesture, by voluntarily reducing its base salary by 10% for a period of one year and has voluntarily foregone 50% of any Short Term Incentive award over 2016, while, in the same year, dividend distribution was reinstalled and a repurchase program of shares was executed.

Without wanting to speculate on the remuneration over 2017, the Supervisory Board is not per se in favour of continuation of similar voluntary reductions by the Management Board when their performance does not justify downward correction of the award, following the policy approved by the shareholders. The Supervisory Board has and maintains every confidence in the Management Board members and would like to thank them for their strong performance in 2016 in difficult market circumstances.

**Ms Lindeman** (*NN Investment Partners, Robeco and Menzis*) complimented the Management Board for voluntarily reducing its pay package. Ms Lindeman asked for an indication of what the emphasis of the proposed changes in the new remuneration policy will be and whether it will be a reflection of the cost-cutting measures and the changing company profile.

**Mr Deckers** stated that at the moment the policy has not been formulated, but the Supervisory Board is acutely aware of the recommendations expressed by the renewed Dutch Corporate Governance Code. The new policy, Remuneration Policy 2018, will be simplified where possible and is planned to put to a shareholders vote next year.

**Mr Jorna** (*Vereniging van Effectenbezitters*) complimented the Management Board for the voluntarily downward adjustment in its pay package.

## **5 Annual Accounts 2016**

### **5.1 Information by PricewaterhouseCoopers Accountants N.V. on the audit at SBM Offshore N.V. (*information*)**

**Mr De Ridder**, partner of PricewaterhouseCoopers Accountants N.V. ("**PwC**") and successor of Wim Jansen and his colleague Ms Van der Vleuten gave a presentation on their audit. PwC issued an unqualified audit opinion (dated 8 February 2017) on the financial statements of SBM Offshore for 2016.

#### **Approach, materiality and scope**

Mr De Ridder referred to the headlines of the approach (page 227-229 Annual Report 2016). Focus was on judgmental items with substantial impact on the financial statements. Most items were managed from Amsterdam and Monaco. PwC used specialists, such as valuation specialists and IT specialists.

PwC referred to continued downturn in the industry and the reduction of materiality to USD 14 mln. PwC also took qualitative factors into account when determining materiality. The audit plan was discussed with the audit committee and the Supervisory Board. PwC attended all Audit Committee meetings.

#### **Key audit matters**

There were four key audit matters. The first one is the difficult market. Cash flow projections, bank covenants and major lease contracts have been reviewed to satisfy that applying the going concern

assumption is appropriate. The second matter is accruals regarding the delivery of orders in view of the closing of major turnkey projects. There were no major findings. The third matter was onerous contracts and restructuring. There were no material exceptions. The fourth matter was valuation of assets and impairment triggers in view of the downturn in the industry. PwC is comfortable with the Management Board's approach and the valuation of these assets at the balance sheet date.

The Brazilian situation was mentioned. No final conclusion has been reached. PwC concurs with the accrual booked as management's best estimate of the likely future cash outflow of the settlement. A risk remains.

**Mr Spanjer** asked about the basis of the valuation of IP.

**Mr De Ridder** replied that PwC can concur with the Management Board's valuation.

**Mr Spanjer** asked how the value is estimated.

**Mr Wood** replied that the valuation is based on the costs of developing the technology and the IP.

**Mr Heineman** asked about the status of automation of audits.

**Mr De Ridder** explained how PwC applied automation in the 2016 audit of SBM Offshore. Data analytics and techniques are used for data complexes. The techniques are not applied yet for valuation.

**Mr Heineman** asked whether the functions of controller and accountant will gradually become identical.

**Mr De Ridder** replied that a lot of the audit developments will coincide with developments of management. Auditors will have a different role.

**Mr Jorna** (*Vereniging van Effectenbezitters*) asked how Mr De Ridder verified the accuracy, punctuality and completeness of the payments to the intermediaries.

**Mr De Ridder** replied that this is an item of the risk assessment relevant to SBM Offshore. PwC first checked the local general ledgers in relation to these types of payment and looked at the central process, as SBM Offshore has a policy for central approval of payments to intermediaries. PwC also looks at individual countries that are part of the audit and screens and tests suspicious payments, as this falls within the scope of PwC's audit.

## **5.2 Adoption of the Annual Accounts (*resolution*)**

**Mr Jorna** (*Vereniging van Effectenbezitters*) asked if the backlog is solid and if there can be any adjustment or deferral in case the oil price continues to evolve in the opposite direction (*first question*). Mr Jorna asked if there may be a further impairment in relation to FPSO Marlim Sul (*second question*). Mr Jorna asked if there was a payment risk from Angola (*third question*). Mr Jorna asked to explain improvements in relation to management of risk for new projects (*fourth question*).

**Mr Chabas** replied (*second question*) that the Company does not have any exposure for FPSO Marlim Sul. The vessel has been sold for decommissioning. The accounting policy is to make sure that there is no speculative view on the asset.

**Mr Wood** replied (*first question*) on lease backlog. The backlog is based on contractual commitments from clients. For FPSOs, those fees are not dependent on the oil prices. This means the lease backlog is solid. The Management Board believes (*third question*) that the money should be recoverable.

**Mr Chabas** replied (*fourth question*) that despite the downturn in the industry, it was decided to keep some additional resources to develop internal projects or capacity. A centrally coordinated group of project management has been created. This is a community of top project managers.

**Mr Van der Riet** asked how much money has been received from the USD 74 million debt of Angola.

**Mr Wood** replied that nothing has been received yet from that amount.

**Mr Chabas** stated that in a relationship with a country like Angola, there are plenty of assets and liabilities and receivables are part of the equation. Mr Chabas stated it is believed that the money will be recovered.

**The Chairman** put the proposal to a vote and noted that the proposal was adopted by 132,802,326 votes in favour, 4,188 votes against, and 37,469 abstentions.

### **5.3 Dividend Distribution Proposal (*resolution*)**

**The Chairman** noted that on the basis of the current dividend policy, dividend to be distributed depends on the availability of sufficient free cash flow in the year of payment, with a range of 25 to 35% of the directional net income. It was proposed to pay a cash dividend of USD 0.23 per share for the year 2016. Compared to last year this is an increase of approximately 10% in dollar terms and this represents a pay-out ratio of 30%. Given the Company's cash position, the dividend will be fully paid in cash and payable in Euro. The dividend is EUR 0.21459 per share based on the exchange rate on the day of the AGM. In euro this is an increase of 17%.

**Mr Schout** asked to reconsider a change in the dividend policy regarding the payment of dividend only in cash. Given the dividend tax consequences it should be possible to choose between dividend paid in cash or in stock. He requested to discuss this matter outside this meeting.

**The Chairman** honoured Mr Schout's request to discuss the matter outside of the meeting.

**The Chairman** put the proposal to a vote and noted that the proposal was adopted by 132,610,195 votes in favour, 234,450 votes against and 3,036 abstentions.

### **5.4 Dividend Policy Amendment (*information*)**

**The Chairman** stated that there were no questions about the new dividend policy explained by Mr Wood. This was not a voting item.

## **6 Discharge**

### **6.1 Discharge of the Management Board members for their management during 2016 (*resolution*)**

**The Chairman** stated that, in accordance with the Company's articles of association, granting discharge to the members of the Management Board for their management during the year 2016 was proposed. This includes Mr Van Rossum, who retired as CFO in November 2016.

**Mr Heineman** asked (in relation to agenda item 5) whether dividend will be paid in stock or in cash. He asked that dividend be paid in stock or in cash at the choice of the shareholder.

**The Chairman** stated that dividend will be paid in cash.

**The Chairman** put the proposal to a vote and noted that the proposal was adopted by 132,105,112 votes in favour, 455,441 votes against and 285,722 abstentions.

### **6.2 Discharge of the Supervisory Board members for their supervision during 2016 (*resolution*)**

**The Chairman** stated that, in accordance with the Company's articles of association, granting

discharge to the members of the Supervisory Board for their supervision during the year 2016 was proposed.

**The Chairman put the proposal to a vote and noted that the proposal was adopted by 132,121,117 votes in favour, 438,583 votes against and 287,722 abstentions.**

## **7 Corporate Governance: summary of the Corporate Governance policy (*information*)**

**The Chairman** referred to the Corporate Governance section in the Annual Report (section 3.5), with a summary of the corporate governance policy, which aligns with the best practices of the Dutch Corporate Governance Code. The Company is currently fully compliant with the Dutch Corporate Governance Code. The risk management chapter (section 3.6 of the annual report) describes the Company's risk appetite and the design and the effectiveness of the internal risk management and the control system. Reference is made to the in-control statement by the Management Board (section 3.10 of the annual report).

## **8. Authorisation to issue ordinary shares and to restrict or to exclude pre-emption rights:**

### **8.1 Designation of the Management Board as the corporate body authorised - subject to the approval of the Supervisory Board - to issue ordinary shares and to grant rights to subscribe for ordinary shares, as provided for in article 4 of the Company's articles of association for a period of 18 months (*resolution*)**

**The Chairman** stated that, in accordance with article 4 of the Company's articles of association, it was proposed that the Management Board be designated as the corporate body authorised - subject to the Supervisory Board's approval - to issue ordinary shares and grant rights to subscribe for ordinary shares. The authorisation is limited to 10% of the issued ordinary shares as per the 2017 AGM, which percentage also includes the authorisation for an additional 10% in case of mergers, acquisitions and/or strategic cooperation. The authorisation was being requested to allow the Management Board to react in a timely manner with regard to the Company's financing. The period of the authorisation as requested is 18 months as of the date of the AGM 2017. The authorisation granted for a period of 18 months at the AGM of 6 April 2016 will be cancelled for the remaining period.

**The Chairman put the proposal to a vote and noted that the proposal was adopted by 116,389,900 votes in favour, 16,432,979 votes against and 24,693 abstentions.**

### **8.2 Designation of the Management Board as the corporate body authorised - subject to the approval of the Supervisory Board - to restrict or to exclude pre-emption rights, as provided for in article 6 of the Company's articles of association for a period of 18 months (*resolution*)**

**The Chairman** stated that in accordance with article 6 of the Company's Articles of Association, it was proposed to designate the Management Board as the corporate body authorised - subject to the approval of the Supervisory Board - to restrict or to exclude pre-emptive rights in connection with the issue and/ or granting of rights to subscribe for ordinary shares in accordance with article 2:96a of the Dutch Civil Code. The duration of this authorisation is 18 months, as of the date of the AGM 2017. The authorisation granted at last year's AGM will be cancelled for the remaining period.

**The Chairman put the proposal to a vote and noted that the proposal was adopted by 115,318,538 votes in favour, 17,498,478 votes against and 30,757 abstentions.**

## **9. Repurchase and cancellation of ordinary shares:**

### **9.1 Authorisation to repurchase ordinary shares: authorisation of the Management Board - subject to the approval of the Supervisory Board - to repurchase the Company's own**

**ordinary shares as specified in article 7 of the Company's articles of association for a period of 18 months (*resolution*)**

**The Chairman** stated that in accordance with article 7 of the Company's Articles of Association, a request was made to authorise the Management Board - subject to the approval of the Supervisory Board - and without prejudice of the provisions of section 2:98 of the Dutch Civil Code, to acquire ordinary shares representing up to 10% of the Company's issued share capital as of the date of the AGM. The period for the authorisation requested is 18 months as of the date of the AGM. The mandate was being requested to acquire ordinary shares at a price per ordinary share between the nominal value of the ordinary shares and 110% of the average price of the ordinary shares on the Stock Exchange Euronext Amsterdam N.V. during the 5 trading days prior to the acquisition.

This authorisation to repurchase ordinary shares provides the Management Board, with the prior approval of the Supervisory Board, with the flexibility to fulfil any purpose including but not limited to stock dividend and/or its obligations deriving from employment related share plans. The duration of this authorisation is 18 months, as of the date of the AGM. The authorisation granted at last year's AGM will be cancelled for the remaining period.

**Mr Schout** asked the Chairman to explain the reasons for this agenda item. **The Chairman** stated that this is for example required to create flexibility for the Management Board to fulfil obligations related to share plans.

**Mr Schout** asked for an option for shareholders for dividend to be paid in stock or in cash. **The Chairman** asked to discuss this with Mr Wood after this AGM.

**Mr Lagendijk** explained this agenda item as a general request of authorisation to the Management Board to issue new shares and to repurchase shares as well.

**The Chairman** put the proposal to a vote and noted that the proposal was adopted by 132,756,058 votes in favour, 75,562 votes against and 16,153 abstentions.

**9.2 Cancellation of ordinary shares held by the Company (*resolution*)**

**The Chairman** stated that SBM Offshore completed its share repurchase program (EUR 150 million) on 15 December 2016. SBM Offshore repurchased 11,400,000 ordinary shares between 11 August 2016 and 20 December 2016 at an average price of EUR 13.11 per share. The share price today is almost EUR 16. The share repurchase program was performed for share capital reduction purposes and, to a lesser extent, for the employee share option plan. The proposed cancellation includes repurchased ordinary shares and ordinary shares to be repurchased (see agenda item 9.1).

The cancellation of the ordinary shares may be executed in one or more tranches. The exact number of ordinary shares shall be determined by the Management Board, subjected to the approval of the Supervisory Board.

**The Chairman** put the proposal to a vote and noted that the proposal was adopted by 132,764,452 votes in favour, 73,646 votes against and 9,674 abstentions.

**10. Communications and questions (*information*)**

**Mr Jacobs** asked about the present situation in Brazil.

**Mr Chabas** replied that the market environment is difficult. The Company is well-positioned because of its ability to deliver on past commitments and the capacity to sustain the Company and innovation.

## 11. Closing

**The Chairman** closed the meeting.

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F.J.G.M. Cremers  
Chairman of the Supervisory Board

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A.G. van Nood  
Company Secretary\*

*\*executed copy available at the Company's office*