



**OFFSHORE**

ENERGY. COMMITTED.

ANNUAL REPORT 2020

## 3 GOVERNANCE

### 3.2 CORPORATE GOVERNANCE

This section gives a broad outline of SBM Offshore's corporate governance structure by describing the roles of the corporate bodies, the external auditor and of the foundation Stichting Continuïteit SBM Offshore. This section also indicates to what extent SBM Offshore applies the principles and best practice provisions in the Dutch Corporate Governance Code of December 8, 2016 (the Corporate Governance Code). The details on compliance with the Corporate Governance Code can be found on SBM Offshore's website under 'Rules governing the Supervisory Board'. The full text of the Corporate Governance Code can be found on [www.mccg.nl](http://www.mccg.nl).

#### 3.2.1 CORPORATE GOVERNANCE STRUCTURE

SBM Offshore N.V. is a limited liability company (*Naamloze Vennootschap*) incorporated under the laws of the Netherlands with its corporate seat in Amsterdam. The Company is listed on Euronext Amsterdam. The Company has a two-tier board consisting of a Supervisory Board and a Management Board. Each board has its specific roles and tasks regulated by laws, the articles of association, the Corporate Governance Code, the Supervisory Board rules and Management Board rules. The Management Board rules and Supervisory Board rules contain details on the ways of working of the Management Board and the Supervisory Board and were last amended in November 2019 by adding the Related Party Transaction Policy as an additional schedule to the both set of rules. Both sets of rules are published on the Company's website, together with the articles of association.

#### 3.2.2 MANAGEMENT BOARD

The Management Board manages the Company and is responsible for the continuity of the Company and its business. The Management Board establishes a position on the relevance of long-term value creation and strategy for the Company and its business and takes into account the relevant stakeholders' interests. In fulfilling its responsibilities, the Management Board is guided by the interests of the Company and its business.

Each year, the Management Board presents to the Supervisory Board the strategy of the Company, the Operational Plan and the financial objectives that allow quantification and progress measurement of the strategy implementation.

The Management Board is responsible for determining the Company's risk profile and policy, which are designed to realize the Company's objectives, to assess and manage the Company's risks and to ensure 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, financial, compliance and reporting risks. Among other considerations, attention is given to observed weaknesses, instances of misconduct and irregularities and indications from whistle blowers. A regular risk report is provided to the Supervisory Board.

The Management Board adopted corporate core values for the Company that contribute to a culture focused on long-term value creation. These values are Integrity, Care, Entrepreneurship and Ownership and are regularly discussed with the Supervisory Board. The Management Board encourages behavior 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.

The Management Board is accountable to the Supervisory Board and the General Meeting of Shareholders for the performance of its management tasks.

The Management Board currently consists of four members: the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Chief Governance and Compliance Officer. Management Board members are appointed and can be suspended or dismissed by the General Meeting of Shareholders. Further information about the appointment and dismissal of Management Board members can be found in SBM Offshore's articles of association.

Section 3.1 lists the material mandates of the Management Board outside SBM Offshore. Management Board members shall inform the Supervisory Board before accepting positions outside the Company. Positions may not be accepted without the Supervisory Boards' prior approval. The positions can not be in conflict with the Company's interests. Mandates are discussed annually in the Supervisory Board meeting. The Company is compliant with best practice 2.4.2 of the Corporate Governance Code. Members of the Management Board may also be appointed to the statutory board of the Company's operational entities.

#### 3.2.3 SUPERVISORY BOARD AND COMMITTEES

The Supervisory Board supervises the policies, the management of the Company and its businesses, the effectiveness and the integrity of the internal control and