



**OFFSHORE**

ENERGY. COMMITTED.

ANNUAL REPORT 2020

## 3 GOVERNANCE

million. Proposals of persons who are entitled to attend the shareholders meetings will only be included in the agenda if such proposals are made in writing to the Management Board not later than sixty days before that meeting.

With reference to the articles of association, all shareholders are entitled, either personally or by proxy authorized in writing, to attend the General Meeting of Shareholders, to address the General Meeting of Shareholders and to vote. The articles of association do not provide for any limitation of the transferability of the ordinary shares and the voting rights of shareholders are not subject to any limitation.

At the General Meeting of Shareholders, each ordinary share with a nominal value of EUR0.25 each shall confer the right to cast one (1) vote. Each protective preference share with a nominal value of EUR0.25 each shall confer the right to cast one (1) vote, when issued. None of the protective preference shares have been issued to date. Unless otherwise required by law or the articles of association of the Company, all resolutions shall be adopted by an absolute majority of votes. The General Meeting of Shareholders may adopt a resolution to amend the articles of association of the Company by an absolute majority of votes cast, but solely upon the proposal of the Management Board, subject to the approval of the Supervisory Board. The articles of association are reviewed on a regular basis and were last amended in April 2016.

Due to COVID-19, the 2020 AGM was held virtually. 128,140,565 ordinary shares participated in the voting, equal to 64.50% (2019: 66.92%) of the then total outstanding share capital of 198,671,305 ordinary shares. With the exception of the proposal to implement the legally required changes to the Management Board Remuneration Policy to comply with legislation implementing the EU Shareholder Rights' Directive in The Netherlands, all proposed resolutions were adopted. The outcome of the voting of the meeting was posted on the Company's website on the day following the 2020 AGM. A proposal for a new Management Board remuneration policy will be submitted to the 2021 AGM.

### 3.2.6 ISSUE, REPURCHASE AND CANCELLATION OF SHARES

The General Meeting of Shareholders or the Management Board, if authorized by the General Meeting of Shareholders and with the approval of the Supervisory Board, may resolve to issue shares.

The General Meeting of Shareholders or the Management Board, subject to the approval of the Supervisory Board, shall set the price and further conditions of issue, with due

observance of the provisions contained in the articles of association. Shares shall never be issued below par, except in the case as referred to in article 2:80 (2) Dutch Civil Code. At the 2020 AGM, the shareholders have delegated to the Management Board for a period of eighteen months and, subject to the approval of the Supervisory Board, the authority to issue ordinary shares up to 10% of the total outstanding shares at that time. In addition, authorization was granted 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 eighteen months and subject to the approval of the Supervisory Board.

The Management Board may, with the authorization of the General Meeting of Shareholders and the Supervisory Board and without prejudice to the provisions of article 2:98 Dutch Civil Code and the articles of association, cause the Company to acquire fully paid-up shares in its own capital for valuable consideration. The Management Board may resolve, subject to the approval of the Supervisory Board, to dispose of shares acquired by the Company in its own capital. No pre-emption right shall exist in respect of such disposal. At the 2020 AGM, the shareholders have delegated the authority to the Management Board for a period of eighteen months, as from April 8, 2020 and subject to approval of the Supervisory Board, to repurchase up to 10% of the total outstanding shares at that time.

On February 13, 2020 SBM Offshore initiated a EUR150 million share repurchase program, with the objective of share capital reduction and, in addition, to provide shares for regular management and employee share programs. The repurchase program was completed on April 3, 2020. The execution of the share repurchase program was done under the terms of an engagement letter with a third-party and performed in compliance with the safe harbor provisions for share repurchases. In accordance with the European Market Abuse Regulation, the Company informed the market through weekly press releases and updates on its website. In 2020, 10,000,000 shares in the capital of SBM Offshore were cancelled. The cancellation of shares is executed under the authorization of the 2019 AGM resolution. More information can be found in section 4.2.4 of this Annual Report.

### 3.2.7 EXTERNAL AUDITOR

The external auditor of SBM Offshore is appointed by the General Meeting of Shareholders on the proposal of the Supervisory Board upon the selection process and nomination of the Audit and Finance Committee and the advice of the Management Board.

PricewaterhouseCoopers Accountants N.V. ('PricewaterhouseCoopers') was first appointed during the 2014 AGM and re-appointed during the 2018 AGM for a