



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

period of three years and ending with the audit of the financial year 2020. Pursuant to the Dutch Auditors Profession Act (*Wet op het accountantsberoep*), the audit firm of a so-called public interest entity (such as a listed company) is required to be replaced if the audit firm has performed the statutory audits of the company for a period of ten consecutive years. This would allow PricewaterhouseCoopers to be re-appointed at the 2021 AGM for the audits of the financial years 2021-2023. Such re-appointment will be proposed at the 2021 AGM. Based on auditor independence requirements, the lead auditor in charge of the SBM Offshore account is changed every five years.

The external auditor attends all meetings of the Audit and Finance Committee, as well as the meeting of the Supervisory Board at which the financial statements are approved. The external auditor receives the financial information and underlying reports of the quarterly results and is given the opportunity to comment and respond to this information.

Pursuant to the Auditor's Profession Act, the auditors are prohibited from providing the Company with services in the Netherlands other than "audit services aimed to provide reliability concerning the information supplied by the audited client for the benefit of external users of this information and also for the benefit of the Supervisory Board, as referred to in the reports mentioned". During 2020, a small number of limited-scope non-audit services were provided by foreign member firms of the PricewaterhouseCoopers global network, taking into account the external auditor's independence rules and SBM Offshore's policy in this regard.

3.2.8 STICHTING CONTINUÏTEIT SBM OFFSHORE

In this section, SBM Offshore's anti-takeover measures are described, as well as the circumstances under which it is expected that these measures may be used.

A foundation 'Stichting Continuïteit SBM Offshore' (the Foundation), was established on March 15, 1988. In summary, the objectives of the Foundation are to represent the interests of SBM Offshore in such a way that the interests of the Company and of all parties involved in this are safeguarded, and that influences which could affect the independence, continuity and/or the identity of the Company in breach of those interests are deterred. The Foundation will perform its role, and take all actions required, at its sole discretion. In the exercise of its functions it will, however, be guided by the interests of the Company and the business enterprises connected with it,

and all other stakeholders, including shareholders and employees.

The Foundation is managed by a Board, the composition of which is intended to ensure that an independent judgement may be made as to the interests of the Company. The Board consists of a number of experienced (former) senior executives of multinational companies: Mr. A.W. Veenman, Chairman, Mr. B. Vree, Vice-Chairman, Mr. R.H. Berkvens, Ms. H.F.M. Defesche and Mr. J.O. van Klinken. To be kept informed about the business and interests of the Company, the Chairman of the Supervisory Board, the CEO and the CGCO are invited to attend the Foundation Board meetings.

The Management Board, with the approval of the Supervisory Board, has granted a call option to the Foundation to acquire a number of preference shares in the Company's share capital, carrying voting rights, equal to one half of the voting rights carried by the ordinary shares outstanding immediately prior to the exercise of the option, enabling it effectively to perform its functions, at its sole discretion and responsibility, as it deems useful or desirable.

The option agreement between SBM Offshore and the Foundation was last amended and restated in 2011, to reflect a waiver by the Company of its put option and the alignment of the nominal value of the protective preference shares with the nominal value of ordinary shares by reducing the nominal value of EUR1 to EUR0.25 and the related increase in the number of protective preference shares, as per the amended articles of association of the Company. The Foundation is independent, as stipulated in article 5:71 (1) (c) Financial Markets Supervision Act.

3.2.9 OTHER REGULATORY MATTERS

CONFLICTS OF INTEREST

The members of the Management Board have a services contract with SBM Offshore N.V. These contracts stipulate that members of the Management Board may not compete with the Company. Conflict of interest procedures are included in the Management Board and Supervisory Board Rules, the Company's Code of Conduct and the Corporate Governance Code. In 2020, there were no conflicts of interest in relation to the members of the Management Board and Supervisory Board reported, which means that the Company is compliant with best practice 2.7.3 to 2.7.4 of the Corporate Governance Code.

In 2020, SBM Offshore did not enter into transactions with persons who held at least ten percent of the shares in the Company. The Company is compliant with best practice 2.7.5 of the Corporate Governance Code.

3 GOVERNANCE

REGULATIONS CONCERNING OWNERSHIP OF AND TRANSACTIONS IN SHARES

In addition to the Company's Insider Trading Rules, the Supervisory Board Rules and Management Board Rules contain a provision stipulating that Supervisory Board and Management Board members will not trade in Company shares or other shares issued by entities other than the Company on the basis of share price sensitive information if this information has been obtained in the course of managing the Company's business. For information about the shares (or other financial instruments) held in SBM Offshore N.V. by members of the Management Board, reference is made to section 4.3.6 of the notes to the consolidated financial statements.

CHANGE OF CONTROL

The Company is not a party to any material agreement that takes effect, alters or terminates upon a change of control of the Company following a take-over bid as referred to in section 5:70 of the Dutch Financial Markets Supervision Act, other than as mentioned in this paragraph.

SBM Offshore N.V. has a revolving credit facility agreement under which the approval of the participating lenders must be obtained in the event of a change in control of the Company after a public take-over bid has been made. Certain vessel charter contracts contain clauses to the effect that the prior consent of the client is required in case of a change of control or merger or where the company resulting from such change of control or merger would have a lower financial rating or where such change of control or merger would affect the proper execution of the contract. In addition, local bidding rules and regulations (e.g. in Brazil for Petrobras) may require client approval for changes in control. A change of control clause is included in the services contract between the Company and each of the members of the Management Board.

EXECUTIVE COMMITTEE

Since the end of 2012, an Executive Committee has been in place. The Executive Committee facilitates decision-making without detracting from the exercise of statutory responsibilities by the members of the Management Board and the internal company authority matrix. Currently, the Executive Committee is comprised of the Management Board members, the Managing Directors of Floating Production Solutions, Global Resources & Services, Operations and Strategic Growth, New Energies & Services, as well as the Group HR Director and the Chief Strategy Officer. In principle, the Executive Committee meets on a monthly basis. In the meetings both strategic and operational topics are discussed. In 2020 more frequent meetings took place in view of the COVID-19 pandemic.

DIVERSITY

Recognizing the international nature of our business, SBM Offshore finds it important to leverage the diversity of perspectives and knowledge available in our organization. The Company views diversity as an integral part of creating value. Therefore significant attention is being paid to diversity aspects in the recruitment of staff and management, appointment to roles, retention of employees, succession planning, talent management, training and development. Diversity elements that have been identified as relevant for the Company are diversity in nationality/cultural background, age, gender and (work)experience.

The same applies for Management Board and Supervisory Board positions whereby in relation to gender diversity the target is to have a minimum of 30% women and a minimum of 30% men on each of the Boards. In the succession planning of both the Management Board and the Supervisory Board, the set diversity aspects, objectives and targets are considered. More than for re-appointments, whereby experience and good performance are weighing heavily on the decision, new appointments offer opportunity to re-balance when needed. Further details of can be found in the Supervisory Board and the Management Board diversity policy which is published on the Company website.

Diversity objectives :

- *Diversity in nationality:* SBM Offshore is active in many regions and countries worldwide. The aim is to have due representation in these regions and countries in the Management Board, the Supervisory Board and the wider organization. In 2020 the members of the Management Board cover four and the members of the Supervisory Board cover five nationalities. Two additional nationalities are represented in the Executive Committee.
- *Diversity in age:* the age range of the Management Board members is between 49 and 60 years; for the Supervisory Board the range is between 48 and 71 years. The Executive Committee age range is between 45 and 59 years.
- *Diversity in gender:* the target is to have a minimum of 30% women and a minimum of 30% men on each of the Management Board and Supervisory Board. The Management Board currently consists of four males (100%). The Dutch Government announced new legislation with a mandatory quota of 33.33% on gender representation in the Supervisory Board. At year-end, the Supervisory Board consists of two females (25%). The Executive Committee (excluding the Management Board) consists of three female members (50%). In view of meeting the target set by the announced legislation explicit attention will be paid to gender diversity in the

succession planning and talent pipeline for the Supervisory Board. Similarly, we strive for more gender diversity in the Management Board and will take that into account when there will be a vacancy. The Supervisory Board and Management Board Diversity Policy will be reviewed in 2021.

CODE OF CONDUCT AND REPORTING OF ALLEGED IRREGULARITIES

The Company has a Code of Conduct, which was updated in April 2018 and can be found on the Company’s website. The Company also has a procedure allowing employees to report alleged irregularities with respect to the Code of Conduct without jeopardizing their employment position. A free-phone and web-based reporting facility (the SBM Offshore Integrity Line) is in place, which employees can use – anonymously if they wish – in their own language. The facility is operated by an external provider, People Intouch. For more details on SBM Offshore’s compliance program reference is made to section 3.6.2.

COMPLIANCE WITH THE CODE

SBM Offshore complies with the principles and best practices of the Corporate Governance Code.

