



2017

ANNUAL REPORT



EXPERIENCE MATTERS

3 GOVERNANCE

Chairman of the Supervisory Board, CEO and the CGCO are invited to attend the Foundation Board meetings.

The Board of the Foundation consists of:

Mr. A.W. Veenman, Chairman, former CEO of the Nederlandse Spoorwegen, Mr. B. Vree, Vice-Chairman, former CEO of APM Terminals, Mr. R.H. Berkvens, CEO of Damen Shipyard, Mrs. H.F.M. Defesche, Company Secretary & Group Legal Counsel of Bosal Nederland B.V. and Mr. J.O. van Klinken, General Counsel & member of the Management Board at Aegon N.V. In 2017, Mr. R.P. Voogd retired at the end of his term.

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 as it, at its sole discretion and responsibility as it deems useful or desirable.

The option agreement between SBM Offshore and the Foundation was lastly 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 EUR 1 to EUR 0.25 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 clause 5:71 section 1 sub c Supervision Financial Market Act.

3.5.8 OTHER REGULATORY MATTERS

CONFLICTS OF INTEREST

The members of the Management Board have a services contract with SBM Offshore N.V. In these contracts it is stipulated that members of the Management Board may not compete with the Company. A change of control clause is included in the service agreement between the Company and each of the members of the Management Board.

The Management Board Rules and the Code of Conduct of the Company regulate matters of conflict of interest. The Supervisory Board Rules also contain regulation based on the Dutch Corporate Governance Code that deals with reporting of conflict of interest of

the Chairman and members of the Supervisory Board. Decisions to enter into transactions in which there are conflicts of interest with Management Board members that are of material significance to the Company and/or to the relevant Management Board members require the approval of the Supervisory Board. In 2017, there were no such transactions.

The Company's Code of Conduct does not permit employees and directors to accept gifts of value for themselves or their relatives, to provide advantages to third parties to the detriment of the Company or to take advantage of business opportunities to which SBM Offshore is entitled.

With reference to the Remuneration Policy, no loans or guarantees have been provided to members of the Management Board. No conflicts of interest in relation to the members of the Management Board or the Supervisory Board were reported during the year 2017.

REGULATIONS CONCERNING OWNERSHIP OF AND TRANSACTIONS IN SHARES

In addition to the Company's Insider Trading Rules, the Supervisory Board and Management Board rules contain a provision with regard to the ownership of and transactions in shares in the Company and in shares of Dutch listed companies other than SBM Offshore N.V. This provision stipulates 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 Note 4.3.23 to the consolidated financial statements.

MANDATES WITH THIRD PARTIES

Reference is made to the overview of the Management Board and Supervisory Board members in section 3.1 and 3.2 of this report in which their material mandates outside SBM Offshore are listed. Management Board and Supervisory 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 position can not be in conflict with the Company's interest. The Company is fully compliant with best practice 2.4.2 of the Dutch Corporate Governance Code. Members of

the Management Board may also be appointed to the statutory board of the Company's operational entities.

CODE OF CONDUCT AND REPORTING OF ALLEGED IRREGULARITIES

The Company has a Code of Conduct, which was updated in March 2012 and is posted on the Company's website. The Company also has a procedure allowing employees to report alleged irregularities with respect to the Code 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 3.8.

DIVERSITY

The Supervisory Board rules state that the composition of the Supervisory Board shall be such that the combined experience, expertise and diversity of the Supervisory Directors enables the Supervisory Board to best carry out its responsibilities. For SBM Offshore, the topic of diversity is of great importance, especially to have a workforce that reflects the international markets in which the Company is active. For that reason, the diversity policy of SBM Offshore is broader than gender diversity, and takes age, (work) experience and nationality also into consideration. Currently, the Supervisory Board consists of five male and three female members and covers four different nationalities. The Management Board has one French, one Swiss/French, one Dutch and one British member (all male). In succession planning, diversity is always taking into consideration whereby ultimately the most qualified candidates will be nominated for appointment.

LEADERSHIP TEAM

Since end of 2012, a Leadership Team is in place comprising of the Management Board members, the Managing Directors of the Company's Regional Centers, the Managing Directors of Gas Power & Renewables, Operations and FPSO Business unit as well as the Group Execution Functions Director, the Group HR Director, the Lead Executive Project Director and the Group Technology Director. The Leadership Team meets each quarter. In the meetings both strategic and operational topics are discussed. The Leadership Team facilitates decision-making without detracting from the exercise of statutory responsibilities by the members of

the Management Board and the internal Company authority matrix.

MISCELLANEOUS

SBM Offshore N.V. has a revolving credit facility under which the agreement of the participating banks must be obtained in the event of a change in control of the Company after a public take-over bid has been made. Under exceptional circumstances, 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.

FURTHER INFORMATION

The Investor Relations and the Corporate Governance sections of the Company website provide extensive information including the articles of association, the Company Code of Conduct, the Supervisory Board and Committee rules and the Management Board rules. The website also contains the contact details of the Investor Relations department and of the Company Secretary for questions regarding corporate governance matters.