

2017

ANNUAL REPORT



EXPERIENCE MATTERS

The Company has provided loans to joint ventures and associates such as shareholder loans and funding loans at rates comparable to the commercial rates of interest.

During the period, the Company entered into trading transactions with joint ventures and associates on terms equivalent to those that prevail in arm's-length transactions. The increase of revenue mainly relates to repair work performed on one FPSO under warranty period. The decrease of cost of sales is mainly driven by lower transactions with the Brasa yard.

Additional information regarding the joint ventures and associates is available in 4.3.31 'Interest in joint ventures and associates'.

4.3.34 AUDITOR'S FEES AND SERVICES

Fees included in other operating costs related to PwC, the 2017 and 2016 Company's external auditor, are summarized as follows:

in thousands of US\$	2017	2016
Audit fees	1,861	1,962
<i>Out of which:</i>		
- invoiced by PwC Accountants N.V.	1,009	1,344
- invoiced by PwC network firms	852	618
Tax fees	47	32
Other	101	533
Total	2,009	2,527

In 2017, the other auditor's fees were mainly related to the review of the Company sustainability report.

In 2016, the other auditor's fees were mainly related to other auditing services carried out in the course of the development of a potential master limited partnership (MLP) project and review of the Company sustainability report.

4.3.35 EVENTS AFTER END OF REPORTING PERIOD

In accordance with the Company's dividend policy introduced in 2017 which consists of paying out a dividend based on the Company's assessment of the underlying cash flow position and 'Directional net income', where a target pay-out ratio of between 25% and 35% is also considered, a dividend out of retained earnings of US\$ 0.25 per share will be proposed to the Annual General Meeting on April 11, 2018, corresponding to approximately 64% of the US\$ 80 million Company's 2017 Directional net income adjusted for non-recurring items.

On January 16, 2018 the Company and Shell completed the transaction related to the sale of *Turritella* (FPSO). The financial impacts of the transaction are provided in note 4.3.1 'Financial Highlights'.