



**OFFSHORE**

ENERGY. COMMITTED.

# ANNUAL REPORT 2018

## 3 GOVERNANCE

### 3.5 CORPORATE GOVERNANCE

In this section, the broad outline of SBM Offshore's corporate governance structure is explained, partly by reference to the principles mentioned in the Dutch Corporate Governance Code. This chapter indicates to what extent SBM Offshore applies the principles and best practice provisions in the Dutch Corporate Governance Code. This chapter describes the role of the corporate bodies, the role of the External Auditor and of the Stichting Continuïteit SBM Offshore.

#### 3.5.1 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. Further to the implementation of the revised Corporate Governance Code, the Supervisory Board rules and Management Board rules were amended in August 2017 and are published on the Company's website, together with the articles of association. The implementation of the Corporate Governance Code has not led to substantial changes in the corporate governance structure of the Company.

SBM Offshore complies with all applicable principles and best practice provisions of the Dutch Code, the full text of which can be found on [www.mccg.nl](http://www.mccg.nl). The details on compliance with the Dutch Corporate Governance Code can be found on SBM Offshore's corporate website under 'Rules governing the Supervisory Board'.

#### 3.5.2 MANAGEMENT BOARD

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. The members of the Management Board are appointed and can be suspended or dismissed at the General Meeting. Further information about the appointment

and dismissal of Management Board members can be found in SBM Offshore's articles of association.

The Management Board manages the Company. The Management Board 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 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 Company's Long-Term Strategic Plan has been discussed with and was approved by the Supervisory Board in December 2018. The Operating Plan for 2019 was formally adopted during the meeting of the Supervisory Board in February 2019.

The Management Board is responsible for determining the Company's risk profile and policy, 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, compliance and reporting risks. Attention is given to observed weaknesses, instances of misconduct and irregularities, indications from whistle blowers.

The Management Board has 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.