



**OFFSHORE**

ENERGY. COMMITTED.

# ANNUAL REPORT 2021

### 3.2.7 EXTERNAL AUDITOR

The external auditor of SBM Offshore is appointed by the General Meeting 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 2021 AGM for a period of three years and ending with the audit of the financial year 2023. 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, which term ends with the audit of the financial year 2023. 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 2021, 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 and the Company's Code of Conduct, and reflect Dutch law and the principle and best practices of the Dutch Corporate Governance Code. In 2021, there were no conflicts of interest in relation to the members of the Management Board and Supervisory Board reported other

## 3 GOVERNANCE

than ordinary course compensation arrangements. The Company is compliant with best practice 2.7.3 to 2.7.4 of the Corporate Governance Code.

In 2021, 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.

### 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 or supervising 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, Strategic Growth and New Energies & Services, as well as the Group HR Director and the Chief Strategy Officer. In principle, the Executive Committee meets every three weeks. In the meetings strategic, operational and organisational topics are discussed.

### DIVERSITY

In 2021, a revised Diversity Policy for the Supervisory Board and for the Management Board was finalised and can now be found on the Company website. Diversity targets found to be relevant are i) nationality/cultural background with a due and fair representation of the geographic regions in which the Company operates and ii) gender. At least one third of the Supervisory Board members should be male and one third should be female. The Company will set diversity targets for the Management Board and senior management in 2022.

In 2021 the members of the Management Board covered four and the members of the Supervisory Board covered six nationalities. Two additional nationalities were represented in the Executive Committee. A broad range of experience in the geographic regions the Company operates is seen, or in case of new regions, experience is being built up. For gender, as at December 31, 2021 28.5% of the Supervisory Board members was female, whereby it is noted that a female candidate is proposed to be appointed at the 2022 AGM. The Management Board consisted of 100% males. More than for re-appointments, whereby experience and good performance are weighing heavily on the decision, new appointments offer opportunity to re-balance the composition in view of fair and equal gender representation when needed. The targets set for (gender) diversity will be taken into consideration when there are vacancies in the Supervisory Board, Management Board and senior management positions.

### CODE OF CONDUCT AND SPEAK UP LINE

The Company has a Code of Conduct which is built on the Company's four core values Integrity, Care, Entrepreneurship and Ownership. Reporting channels and a Speak Up Line are in place and enable SBM Offshore to carefully listen to its employees and partners in the value chain about concerns related to potential violations against the Code of Conduct, Core Values, or the law. The Speak Up Line, managed by an independent third party, is available 24 hours a day, 365 days a year, supports multiple languages, and allows for anonymous and confidential reporting. For more details on SBM Offshore's compliance program reference is made to section 3.6.2. The Code of Conduct can be found on the Company website.

### COMPLIANCE WITH THE CODE

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

### 3.3 REPORT OF THE SUPERVISORY BOARD

#### Composition

In 2021, Laurence Mulliez stepped down after the 2021 AGM after six years of service. Following the departure of Andy Brown, Francis Gugen took over as Vice-Chairman of the Supervisory Board. The Supervisory Board welcomed Ingelise Arntsen who was newly appointed at the 2021 AGM for a period of four years, until the 2025 AGM. In 2021 the Supervisory Board also announced its intention to nominate Hilary Mercer as member of the Supervisory Board. In accordance with best practice 2.2.2 of the Corporate Governance Code, the profile, the competencies and background of the Supervisory Board members already in function, as well as the Diversity Policy for the Supervisory Board, were closely observed for nominations made.

#### Independence

As per year-end, six out of seven Supervisory Board members are independent from the Company within the

meaning of best practice provisions 2.1.7 to 2.1.9 inclusive of the Corporate Governance Code. The exception is Jaap van Wiechen in view of his position as member of the Executive Board of HAL Holding N.V./director HAL Investments B.V. Sietze Hepkema who was a Management Board member of SBM Offshore until this appointment as Supervisory Board member in April 2015, qualifies as independent Supervisory Board member as of April 16, 2020.

#### Meetings

In 2021, the Supervisory Board held seven scheduled meetings, one additional meeting and some ad hoc calls. Due to the COVID-19 pandemic, Supervisory Board members mostly participated in the meetings via video conferencing. The Supervisory Board assessed that its members have adequate time available to give sufficient attention to the Company. In 2021, the attendance percentage of the Supervisory Board for the meetings was 98.21%. The table below shows the overview of the attendance in 2021 at scheduled meetings for the individual members out of the number eligible to attend.

Members <sup>1</sup>	Supervisory Board	Audit and Finance Committee	Technical and Commercial Committee	Appointment and Remuneration Committee
Roeland Baan (Chairman)	8/8	-	-	5/5
Francis Gugen (Vice-Chairman)	8/8	5/5	-	-
Ingelise Arntsen	6/6	-	3/3	-
Bernard Bajolet	8/8	-	6/6	-
Sietze Hepkema	8/8	3/3	-	5/5
Cheryl Richard	8/8	-	-	5/5
Jaap van Wiechen	7/8	4.5/5	6/6	-
Laurence Mulliez	2/2	2/2	3/3	-

<sup>1</sup> Where a Supervisory Board member retired from or was appointed to the Supervisory Board, stepped down from a Committee or was appointed throughout the year, only meetings during his/her tenure were taken into account

The Management Board prepared detailed supporting documents as preparation for all meetings and several representatives of senior management were invited to give presentations on specific topics within their area of responsibility. The Supervisory Board and Committee meetings were usually held over two days to ensure time for review and discussion. The Management Board attended all scheduled meetings of the Supervisory Board. The customary informal pre-board dinner was cancelled in most instances in 2021 due to the COVID-19 pandemic. Several informal meetings and contacts among Supervisory Board members and/or Management Board members took place. Prior to the scheduled meetings, the Supervisory Board met outside the presence of the Management Board to reflect on agenda items and discuss potential items requiring attention during the meeting. The Supervisory Board also received regular updates from the Management Board outside meetings on relevant developments within the Company.

In 2021, a repeat subject on the agenda of the Supervisory Board meeting was the challenges that came with the COVID-19 pandemic. The Supervisory Board was regularly informed about the impact of COVID-19 on SBM Offshore, its employees, projects, supply chain and fleet operations, as well as measures implemented in relation herewith. In addition, recurring standard items on the agenda of the Supervisory Board meetings were the Company strategy, the commercial activities/projects and the market environment, the operational performance, the financial performance and liquidity position, treasury topics, investor relations topics, compliance, risk management and internal controls, SBM Offshore organisation and culture including diversity and inclusion, corporate governance, succession planning of the Management Board, Supervisory Board and senior management of the Company, remuneration for senior management and the Management Board and ESG topics including SBM Offshore's approach hereto.