



EXPERIENCE **MATTERS**

**2016**

ANNUAL REPORT

transferability of the ordinary shares and the voting rights of shareholders is not subject to any limitation.

Analysts meetings, presentations to institutional or other investors and direct discussions with investors did not take place shortly before the publication of the regular financial information.

At the General Meeting of April 6, 2016, 132,630,774 ordinary shares participated in the voting, equal to 62.51% (2015: 52.38%) of the then total outstanding share capital of 212,173,814 ordinary shares. All the proposed resolutions were approved with a majority of the votes. An Extraordinary General Meeting was held on November 30, 2016, where the appointment of Mr. Wood as Management Board Member for a first term of four years was on the agenda. At this meeting, 133,014,704 ordinary shares participated in the voting, equal to 62.31% of the then outstanding capital of 213,471,305 ordinary shares. The proposed resolution was adopted. The outcome of the voting of both meetings was posted on the Company's website on the day following the respective General Meetings.

### 3.5.5 ISSUE AND REPURCHASE OF SHARES

The General Meeting or the Management Board, if authorized by the General Meeting and with the approval of the Supervisory Board, may resolve to issue shares.

The General Meeting or the Management Board, subject to the approval of the Supervisory Board, shall set the price and further conditions of issue, with due observance of the provisions contained in the articles of association. Shares shall never be issued below par, except in the case as referred to in section 80, subsection 2, Book 2, of the Dutch Civil Code. At the General Meeting of April 6, 2016,

the shareholders have delegated to the Management Board for a period of eighteen months and subject to the approval of the Supervisory Board, the authority to issue ordinary shares up to 10% of the total outstanding shares at that time. In case of mergers, acquisitions or strategic cooperation this percentage is increased to 20%. In the same meeting, the shareholders have delegated the authority to the Management Board for a period of eighteen months as from April 6, 2016 and subject to the approval of the Supervisory Board to restrict or withdraw preferential rights of the shareholders in respect of ordinary shares when ordinary shares are being issued.

The Management Board may, with the authorization of the General Meeting and the Supervisory Board and without prejudice to the provisions of sections 98 and sections 98d, Book 2, Dutch Civil Code and the articles of association, cause the Company to acquire fully paid up shares in its own capital for valuable consideration. The Management Board may resolve, subject to the approval of the Supervisory Board, to dispose of shares acquired by the Company in its own capital. No pre-emption right shall exist in respect of such disposal. At the General Meeting of 2016, the shareholders have delegated the authority to the Management Board for a period of eighteen months as from April 6, 2016 and subject to approval of the Supervisory Board, to acquire up to 10% of the total outstanding shares at that time. On August 11, 2016 SBM Offshore initiated a EUR 150 million share repurchase program, predominantly for share capital reduction purposes and, to a lesser extent, for employee share programs. The repurchase program was completed in December 2016. The execution of the share repurchase program was performed in compliance with the safe harbor provisions for share repurchases. In accordance with the European Market Abuse Regulation, the Company informed the market through weekly press releases and updates on its website. More



information can be found in section 4.4 of this Annual Report.

### 3.5.6 AUDITORS

The external auditor of SBM Offshore is appointed by the Annual General Meeting on proposal of the Supervisory Board. During the Annual General meeting of 2014, PricewaterhouseCoopers Accountants N.V. was appointed auditor. The current appointment is reviewed every four years by the Audit Committee. The Audit Committee advises the Supervisory Board, which communicates the results of this assessment to the Annual General Meeting. The Audit Committee and the Management Board report their dealings with the external auditor to the Supervisory Board annually and discuss the auditor's independence.

The current lead auditor is Mr. M. de Ridder of PricewaterhouseCoopers Accountants N.V. He will be present at the Annual General Meeting 2017 and may be asked questions with regard to his statement on the fairness of the financial statements. The external auditor attends all meetings of the Audit Committee, as well as the meeting of the Supervisory Board at which the financial statements are approved. He receives the financial information and underlying reports of the quarterly figures and is given the opportunity to comment and respond to this information.

Based on auditor independence requirements, the lead auditor in charge of the SBM Offshore account is changed every five years. Pursuant to the Dutch Audit Profession Act (Wet op het accountantsberoep), the audit firm of a so-called public interest entity (such as a listed company) will have to be replaced if the audit firm performed the statutory audits of the Company for a period of ten consecutive years, at the latest in 2024.

Pursuant to the Audit 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.' The Company has taken the position that no additional services may be provided by the external auditor and its global network that do not meet these requirements, unless local statutory requirements so dictate.

### 3.5.7 STICHTING CONTINUÏTEIT SBM OFFSHORE N.V.

In this paragraph, 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), has been 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 judgment may be made as to the interests of the Company. The Board consists of a number of experienced and reputable (former)