



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

4 SHAREHOLDER INFORMATION

4.4 DIVIDEND POLICY AND SHARE REPURCHASE PROGRAM

The Company's current dividend policy is to make dividends dependent on the availability of sufficient free cash flow in the year of payment, with a payout ratio of between 25% and 35% of underlying 'Directional net income' payable in cash and/or shares at the discretion of shareholders.

On May 3, 2016, SBM Offshore paid a cash dividend of US\$ 0.21 or EUR 0.1847 per share over 2015 results, in line with 25% of underlying Directional net income, after adjustment for non-recurring exceptional items concerning compliance-related settlements.

In accordance with existing dividend policy, but taking into account the specific circumstances relating to 2016 including the nature of the non-recurring items, a dividend out of 2016 net income of US\$ 0.23 per share will be proposed to the Annual General Meeting on April 13, 2017, corresponding to approximately 31% of the Company's US\$ 150 million underlying Directional²⁴ net income. The annual dividend will be calculated in US Dollars, but will be payable in Euros. The

²⁴ Directional view is a non-IFRS disclosure, which assumes all lease contracts are classified as operating leases and all vessel joint ventures are proportionally consolidated.

4.5 FINANCIAL CALENDAR

Event	Day	Year
Full-Year 2016 Earnings – Press Release	8 February	2017
Annual General Meeting of Shareholders	13 April	2017
Trading Update 1Q 2017 – Press Release	10 May	2017
Half-Year 2017 Earnings – Press Release	8 August	2017
Trading Update 3Q 2017 – Press Release	7 November	2017

conversion into Euros will be effected on the basis of the exchange rate on April 13, 2017. Given the Company's strong cash position, the dividend will be fully paid in cash.

The Company reviews its dividend policy on a regular basis, which has led to the following update. SBM Offshore intends to revise its dividend policy relating to future dividend proposals as follows: The Company's policy is to maintain a stable dividend, which grows over time. Determination of the dividend is based on the Company's assessment of the underlying cash flow position and of 'Directional net income', where a target payout ratio of between 25% and 35% of 'Directional net income' will also be considered. The proposed change will be presented for discussion at the AGM on April 13, 2017.

At the 2016 AGM the Company also obtained authorization to repurchase the Company's own ordinary shares. Consequently the Company commenced a EUR 150 million share repurchase program on August 11, 2016. The program was completed on December 20, 2016. Under this program SBM Offshore repurchased 11,442,179 common shares for total consideration of EUR 149,999,999 implying an average repurchase price of EUR 13.11 per share.