



**2023** ANNUAL REPORT

**BM**  
**OFFSHORE**



## 3 GOVERNANCE

### 3.2 REPORT OF THE SUPERVISORY BOARD

#### SUPERVISORY BOARD COMPOSITION AND INDEPENDENCE

In 2023, Cheryl Richard and Sietze Hepkema stepped down after the 2023 AGM after eight years of service. The Supervisory Board is grateful for their insights, knowledge and contributions. The Supervisory Board welcomed Allard Castelein who was newly appointed at the 2023 AGM for a period of four years, until the 2027 AGM. In accordance with best practice 2.2.2 of the Corporate Governance Code, the competencies and background of the Supervisory Board members already in function, as well as the Diversity & Inclusion Policy and the Profile for the Supervisory Board, were closely observed for nominations made.

#### Nationality

Dutch	50%
French	16.67%
Danish	16.67%
British	16.67%

#### Gender

Male	66.67%
Female	33.33%

#### Tenure (in years to 2024 AGM date)

0-2 years	33.33%
3-5 years	33.33%
+6 years	33.33%

#### Independence

As per year-end, five out of six 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.

#### Independence

Independent	83.33%
Non-Independent	16.67%

#### SUPERVISORY BOARD MEETINGS AND ATTENDANCE

In 2023, the Supervisory Board met seven times for its scheduled meetings including a two-day Strategy Session in August, and some ad hoc calls. The Supervisory Board assessed that its members have adequate time available to give sufficient attention to the Company. The attendance percentage of the Supervisory Board meetings was 97.73%. The table below shows the overview of the attendance in 2023 at meetings for the individual members out of the number eligible to attend.

2023 Supervisory Board meeting attendance overview

Members <sup>1</sup>	Supervisory Board	Audit Committee	Technical and Commercial Committee	Appointment and Remuneration Committee
Roeland Baan (Chair)	7/7	-	-	5/5
Bernard Bajolet (Vice-Chair)	7/7	-	6/6	3/3
Ingelise Arntsen	7/7	3/3	6/6	-
Allard Castelein	5/5	-	-	3/3
Sietze Hepkema	2/2	2/2	-	2/2
Hilary Mercer	7/7	4/5	6/6	-
Cheryl Richard	2/2	-	-	2/2
Jaap van Wiechen	6/7	5/5	-	-

<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 discuss specific topics within their area of responsibility. The Supervisory Board and Committee meetings were usually held over two days to ensure sufficient time for review and discussion. The Management Board attended all regular meetings of the Supervisory Board. Whenever possible informal pre-board dinners were held. Several informal meetings and contacts among Supervisory Board members and/or Management Board members outside the Board meetings also took place. Prior to the regular 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.

The Supervisory Board discussed a wide range of topics during the year. In its deliberations, the Supervisory Board considered the interests of the Company and its business as well as the relevant stakeholders from the Company. Among others, 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, project execution and performance, the financial performance and liquidity position, tax including notably OECD Pillar Two developments and impact, treasury topics, investor relations topics, compliance, risk management and internal controls, internal audit plan, SBM Offshore organization and culture including diversity and inclusion, corporate governance, composition and succession planning of the Management Board, Supervisory Board and senior management of the Company, remuneration for the Management Board, Supervisory Board and senior management, and ESG/sustainability matters in relation to the strategy and embedding in the organization.

In February 2023 the Supervisory Board approved the 2022 financial statements and the proposal to the General Meeting of an all cash dividend distribution. In the same meeting, the 2023 operating plan was approved in its final form. In August 2023 the Supervisory Board reviewed SBM Offshore's long-term strategic plan including mission, goals, vision and values. The Company strategy is built around the strategic pillars Environment, Social and

Governance, for each of which material topics have been identified following stakeholder engagement. In this session, the macro trends impacting the world, the risks related to the strategy and the impact on the ESG pillars were discussed. Hereafter the long-term strategic plan was approved. On various occasions during the year, the progress on the implementation of the strategy was reviewed and discussed, also via KPI's set. Monitoring whether targets are reached also takes place via the Group Balanced Scorecard for the Management Board as well as the organization. The Supervisory Board annually reviews and discusses the Company's risk appetite. Finally, time was spent on talent management and leadership development.

### SUPERVISORY BOARD COMMITTEE ACTIVITIES IN 2023

The Supervisory Board has appointed three committees which are formed from among its members. These committees have advisory powers, share the main considerations and conclusions of their meetings in the Supervisory Board meeting and provide recommendations for decision by the Supervisory Board. The committee composition changed in 2023 due to changes in the Supervisory Board.

#### Committee composition as at December 31, 2023

Members	Audit Committee	Technical and Commercial Committee	Appointment and Remuneration Committee	
			Appointment matters	Remuneration matters
Roeland Baan (Chair)			Chair	√
Bernard Bajolet (Vice-Chair)		√		√
Ingelise Arntsen	√	√		
Allard Castelein <sup>1</sup>			√	Chair
Hilary Mercer	√	Chair		
Jaap van Wiechen	Chair			

<sup>1</sup> Appointed as per April 13, 2023

There is an open invitation to join committee meetings for those Supervisory Board members who are not a member of specific committee. This invitation is regularly made use of.

#### Audit Committee

The Audit Committee has seen changes in 2023: following the departure of Sietze Hepkema as of April 13, 2023, Ingelise Arntsen joined as member. The Audit Committee convened five times in 2023. The attendance percentage of the Audit Committee meetings was 93.33%. The Chair of the Audit Committee reported to the Supervisory Board on

the principal issues discussed, on actions arising and the follow-up of such actions and made recommendations on those matters requiring a decision by the Supervisory Board. The Management Board, the Group Internal Audit Director, the Group Controller and the external independent auditor attended the meetings. After each meeting, the Audit Committee met with the external independent auditor outside the presence of the Management Board. The Chair of the Audit Committee regularly held meetings with the CFO, and separately with SBM Offshore's Group Internal Audit Director and again separately with PricewaterhouseCoopers.

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### Responsibility:

The Audit Committee supports the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the operation of the Company's internal risk management and control systems.

### Recurring agenda topics:

- Financial report, (interim) financial statements.
- Observations external independent auditor.
- IT report (including cybersecurity).
- Internal Audit report.
- Risk report.
- Legal, Compliance and Insurance report.
- Funding, Financing and Liquidity report.
- Sustainability matters (reporting).

### Main other items discussed:

- Dividend proposal.
- 2023 Operating plan and objectives (Group Balanced Scorecard).
- AGM preparation.
- Risk management and internal controls.
- Internal Audit Plan.
- Functioning of and relationship with external independent auditor.
- Approach to Tax policy and tax developments including OECD Pillar Two.
- ESG/CSRD readiness update.
- Material topics assessment.

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The external independent auditor participated in all meetings of the Audit Committee. Discussions were held with PricewaterhouseCoopers about the audit plan, interim audit findings report, board report, audit report and financial statements including managerial judgments and key accounting estimates. Additionally, the Audit Committee formally evaluated the external independent auditor.

### Appointment and Remuneration Committee

The Appointment and Remuneration Committee saw changes in 2023: following the departure of Cheryl Richard and Sietze Hepkema, Allard Castelein was appointed as Chair of the Committee for remuneration matters, and

Bernard Bajolet became member. The Appointment and Remuneration Committee had five scheduled meetings in 2023. The attendance rate of the Appointment and Remuneration Committee meetings was 100%. The Appointment and Remuneration Committee consists of two parts as prescribed by the Corporate Governance Code: a part for selection and appointment matters and a part for remuneration matters. During the Supervisory Board meetings, the respective Chair reported on the selection and appointment matters and on the remuneration matters reviewed by the Committee, on actions arising and the follow-up of such actions. They made recommendations on those matters that require a decision from the Supervisory Board.

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**Responsibility:**

The Appointment Committee supports the Supervisory Board's decision-making regarding composition and functioning of the Management Board and Supervisory Board. The Remuneration Committee prepares the Supervisory Board's decision-making regarding the determination of the remuneration of individual Managing Directors and of the Supervisory Board.

**Recurring agenda topics:****Appointment matters**

- Management Board and Supervisory Board composition, functioning and succession planning.

**Remuneration matters**

- Management Board remuneration including target realization and setting and award Award Value Creation Stake.
- Remuneration report.

**Main other items discussed:****Appointment matters**

- SBM Offshore organizational structure.
- Employee well-being and culture including Diversity & Inclusion update.

**Remuneration matters**

- Annual General Meeting preparation.
- Management Board remuneration.
- Remuneration senior management.
- Supervisory Board remuneration and policy.

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The meetings were attended by the Management Board and the Group HR Director, except where the Appointment and Remuneration Committee chose to discuss matters in private.

**Technical and Commercial Committee**

The Technical and Commercial Committee convened six times in 2023. The attendance rate of the Technical and

Commercial Committee for these meetings was 100%. The Chair of the Technical and Commercial Committee reported to the Supervisory Board on the principal issues discussed, on actions arising and the follow-up of such actions and made recommendations on those matters requiring a decision.

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**Responsibility:**

The Technical and Commercial Committee supports the Supervisory Board's decision-making regarding HSSEQ matters and related improvement plans, operational performance, project execution, sales, marketing and tendering activities, technology and innovation developments, risks associated with the foregoing.

**Recurring agenda topics:**

- HSSEQ/Quality control/Process safety performance.
- Operational performance and strategy.
- Project performance.
- Project execution including project planning.
- Sales, marketing and tender activities.

**Main other items discussed:**

- Country mission deep dives.
- Detention of crew-members in Equatorial Guinea.
- Client relationships.
- Technology and innovation developments.

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The meetings were attended by the Management Board, and at times relevant senior management representatives to discuss topics within the remit of the Technical and Commercial Committee.

**INDUCTION, TRAINING AND PERFORMANCE ASSESSMENT**

New members of the Supervisory Board receive a comprehensive induction tailored to their needs. Furthermore, during the first year of appointment, new members often are present at the meetings of committees

of which they are not a member. In 2023, SBM Offshore welcomed one new member to the Supervisory Board. The induction program took place in the form of sessions with the Management Board and senior management where operational, commercial, financial, social, legal and sustainability matters regarding SBM Offshore were discussed, and included a site visit to the Schiedam office.

Both the Management Board and the Supervisory Board spent time on deep dives on various relevant subjects, for example the energy transition and the role of the Company

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herein. The Boards expanded their knowledge on what is expected from each of them in terms of sustainability governance.

In August 2023, the Supervisory Board assessed the profiles and the competencies of the individual Supervisory Board members. Annually, an assessment on the functioning of the Supervisory Board, its committees and its members is performed. For 2023, the assessment was done informally during an off-site session in Summer 2023, and continued with a process with the support of an external advisor. The latter was kicked off in Q4 2023 with a survey to be completed by the members of the Management Board, Supervisory Board and Company Secretary, followed by interviews and a feedback and review session with the Supervisory Board. Topics discussed throughout the year are around what went well and where there is room for improvement, which included, for instance, a review of items to be discussed at Committee meetings and at Supervisory Board level. This has led to some adjustments to the planning for 2024. Furthermore having an off-site session was much appreciated as it was an informal way to spend time together outside the meetings. This will be continued in 2024.

The Chair of the Supervisory Board frequently spoke with the CEO, and the Committee Chairs spoke with other Management Board members outside the meetings. The Supervisory Board also evaluated the functioning of the Management Board and its members. Overall, it was concluded that both the Supervisory Board and the Management Board function properly and effectively and that the relationship is constructive.

The Management Board reviewed its own functioning as a whole and that of the individual Management Board members on various occasions throughout the year. During these sessions, its role and responsibilities, meeting efficiency and the relationship with the Supervisory Board and senior management was also discussed. In addition there has been continuous attention to diversity and inclusion within the organization.

### CONCLUSION

The Financial Statements have been audited by the external independent auditor, PricewaterhouseCoopers Accountants N.V. Their findings have been discussed with the Audit Committee and the Supervisory Board in the presence of the Management Board. The external independent auditor has expressed an unqualified opinion on the Financial Statements.

The members of the Supervisory Board have signed the 2023 Financial Statements pursuant to their statutory obligations under article 2:101 (2) of the Dutch Civil Code.

The members of the Management Board have signed the 2023 Financial Statements pursuant to their statutory obligations under article 2:101(2) of the Dutch Civil Code and article 5:25c (2) (c) of the Financial Markets Supervision Act. The Supervisory Board of SBM Offshore N.V. recommends that the General Meeting adopts the Financial Statements for the year 2023.

### Supervisory Board

Roeland Baan, Chair  
Bernard Bajolet, Vice-Chair  
Ingelise Arntsen  
Allard Castelein  
Hilary Mercer  
Jaap van Wiechen

Schiphol, the Netherlands  
February 28, 2024