

## Subsea 7 S.A. Board Charter

<b>3</b>	<b>23.May.18</b>	<b>Nathalie Louys General Counsel and Company Secretary</b>	<b>Kristian Siem Chairman of the Board of Directors of Subsea 7 S.A.</b>
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### AMENDMENTS

<b>Version</b>	<b>Issue Date</b>	<b>Section</b>	<b>Description of Update</b>
1	10.Feb.11	All	Revised to reflect post-merger changes.
2	19.May.16	2.4	Minor amendment to section
3	23.May.18	1.7	Minor amendment to section

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## **1. INTRODUCTION**

Subsea 7 S.A. (the "Company"), a Luxembourg incorporated and tax resident company, is the parent company of the Subsea 7 group (the "Group"). The Board of the Company is the vehicle by which central management and control of the Group is exercised. The Board is responsible for setting the overall strategic direction of the Group, and decisions on core strategic matters are reserved solely for the Board.

### **1.1 AUTHORITY**

The Board of Directors is authorised, under Article 13 of the Articles of Incorporation, to manage the Company.

The Board has the widest powers to carry out acts of management in relation to the Company's affairs. All that is not expressly reserved for the general meeting by law or by the Articles is within the powers of the Board.

### **1.2 MEMBERSHIP**

The Board shall be composed of at least three Directors. Directors need not be shareholders of the Company. Directors shall be appointed by the general meeting of shareholders for terms not to exceed two years. The Company may by resolution of the general meeting of shareholders dismiss any Director before the expiry of his term of office, notwithstanding any agreement between the Company and the Director. Directors may be re-elected, if the Board proposes their re-election. Directors should be sufficiently skilled to make strategic decisions on behalf of the Group.

The Board shall elect a Chairman and a Senior Independent Director from among its members.

### **1.3 ATTENDANCE AT MEETINGS**

The Board of Directors may only deliberate validly if the majority of its members is present in person, by telephone, or by videoconference. A Director unable to attend a meeting may give proxy to another Director. A Director may receive and vote any number of proxies. A meeting at which the majority of Directors is from a single country shall not be quorate.

Directors should make every reasonable effort to attend all Board meetings in person. Directors should be prepared to contribute substantively at each meeting by reviewing Board and Committee papers in advance of each meeting.

### **1.4 FREQUENCY OF MEETINGS**

Meetings of the Board of Directors shall normally be held at least four times a year. Meetings may also be held on an ad hoc basis at such times as the Chairman may decide.

### **1.5 CONDUCT OF MEETINGS**

Meetings of the Board of Directors shall be convened on the notice of the Chairman, or of any two Directors, and shall be held at the time and place set out in the agenda. The Chairman shall be responsible for setting the agenda for Board meetings, with input from the CEO.

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Board meetings shall generally be held in Luxembourg, and in any event never in the UK, France, Norway, USA and Brazil, and shall not be chaired from any of these countries.

The Board of Directors may only deliberate validly if the majority of its members shall take part in the meetings. Meetings of the Board of Directors may be held by means of telephone conference call, videoconference or any other means which allows the identification of each Director taking part. A Director attending in any such manner shall be deemed to be present.

Members of the Management team, other employees, and external advisors may be invited to attend meetings, or parts of meetings, in order to give presentations or answer questions, but may not vote on decisions of the Board. At each Board meeting, the agenda shall include a meeting of the Directors without management present, and a meeting of the Non-executive Directors with no executive Director present.

Meetings of the Board of Directors shall be chaired by the Chairman. In the absence of the Chairman, meetings shall be chaired by the Senior Independent Director. In the absence of both the Chairman and the Senior Independent Director, the most senior Director present shall chair the meeting.

Decisions of the Board of Directors shall be taken by a majority of the votes cast by the Directors present or represented at a meeting.

The CEO will ensure that mechanisms exist to provide Directors with clear and accurate information in advance of Board meetings to optimise the Board's decision-making process. The CEO will ensure at all times that Directors are kept informed of matters which materially affect the Group (meaning the Company, its subsidiaries and its sub-subsidiaries).

All decisions of the Board shall be made in Board meetings held outside the UK France, Norway, USA and Brazil. Approval of decisions of the Board by email should be avoided.

## **1.6 WRITTEN RESOLUTIONS**

Resolutions signed by all members of the Board will be as valid and effective as if passed at a meeting duly convened and held. Written resolutions may be signed either on a single document, or by multiple identical copies of the resolution, and may be evidenced by letters, cables, telexes or faxes.

## **1.7 MINUTES OF MEETING**

Minutes shall be taken of all meetings of the Board of Directors which shall accurately document decisions taken and shall be a conclusive record of the meetings. The minutes of any meeting shall be signed by the Chairman and by the Company Secretary. The minutes shall state the location of any Directors attending by telephone or videoconference. The location of the Chair shall be stated in the minutes.

## **1.8 DELEGATION OF AUTHORITY**

The Board may delegate authority to manage the operations of the Company to the CEO. The Board may not delegate its responsibilities under section 2 below, but may delegate execution of the Company's strategy to the CEO. The Board is responsible for approving the Authority Level Matrix, setting out levels of delegated authority for the CEO.

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Any transaction which binds the Company must, to be valid, be signed by either the Chairman or by two Directors, or by an attorney-in-fact having been given authority by Board decision or a power of attorney executed as aforesaid. The decision to enter into a transaction which binds the Company must be made in a meeting of the Board, or by written resolution.

## **1.9 COMMITTEES**

The Board may set up different committees including, but not limited to, an Audit Committee, a Corporate Governance and Nomination Committee and a Compensation Committee. Each committee shall be composed as the Board of Directors determines. The Board will appoint the committees' Chairmen. The Board may appoint Directors, as well as persons who are not Directors, to serve as members of the committees. The Board determines the purpose, authority and terms of reference applicable to any such committee, and will review and, if appropriate, amend the committees' terms of reference from time to time.

The Board has delegated authority to the CEO for authorisation to submit tenders (ATT) and authorisation to commit (ATC) for all tenders / projects up to the financial limit set out in the Authority Level Matrix. Authority to approve ATT and ATC in excess of this amount had been delegated to a Tender Committee of the Board, composed of the Chairman and another Board member, in addition to the CEO.

The Board shall receive reports from its committees, and copies of the committees' minutes shall be circulated to all Board members.

## **1.10 CONFLICTS OF INTEREST**

Any Director who, when a contract or an agreement shall be submitted for approval of the Board of Directors, has an interest contrary to that of the Group or its joint ventures, must inform the Board of Directors and require that this information is entered in the minutes of the meeting. The Director concerned may not deliberate or vote in respect of any such contract or agreement and he shall not be counted for purposes of whether a quorum is present. The foregoing shall not apply where the conflict concerns the Director also acting as a director of a Group subsidiary or joint venture.

## **1.11 ACCESS TO INDEPENDENT ADVICE**

Any Director is entitled to independent professional advice, at the Company's expense, in relation to such Director's own responsibilities. Requests for independent professional advice shall be directed to the Chairman, and such advice shall be obtained with the assistance of the Company Secretary.

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## **2. DUTIES**

### **2.1 VALUES AND STANDARDS**

The Board shall set the core values which will be used to guide the affairs of the Group. This will include the Group's commitment to achieving its health and safety vision and the Group's adherence to the highest ethical standards in all of its operations worldwide. The Board will integrate environmental improvement into its business plans and strategies, and will seek to embed sustainability into the Group's business processes. The Board will monitor the Group's performance in these areas, and will report to shareholders on progress made.

The Board is responsible for the Group's compliance with its statutory and regulatory obligations, and will ensure that systems and processes are in place to enable these obligations to be met.

### **2.2 GROUP STRATEGY AND OPERATIONS**

The Board shall have final responsibility for the strategy and operations of the Group. The Board shall:

- be responsible for setting the Group's overall strategy and five-year plan. The Board may delegate to the CEO the implementation of the strategy and five-year plan. The Board shall monitor from time to time the Group's performance against the agreed strategy and five-year plan;
- be responsible for the approval of the annual budget, and subsequently for approval of any material changes to the budget;
- have overall responsibility for the Group's operational and financial performance;
- review, on a regular basis, the Group's operational and financial performance;
- approve any significant change in the business of the Group, such as the extension of the business into new geographical or product areas, or the closure or disposal of a line of business;
- approve major capital projects and related capital expenditure;
- approve significant investments and disposals.

### **2.3 GROUP STRUCTURE**

The Board shall be responsible for the effective structuring of the Group. In particular, the Board shall:

- approve any changes relating to the Company's share capital structure, including share issues, share buybacks or capital reductions or any other equity transactions involving the Company and its direct subsidiaries;
- approve any changes to the corporate structure of the Company and its direct subsidiaries;
- approve the entering into of any long-term or asset joint venture, or the withdrawal from any such joint venture, or any significant changes to the terms of any such joint venture;

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- approve any changes to the Company's listings;
- approve any changes to the Company's tax residency;
- maintain an office in Luxembourg and wherever possible manage arrangements relating to Board meetings from its office in Luxembourg.

## **2.4 GROUP FINANCIAL REPORTING**

The Board is responsible for the Company's financial reporting and for compliance with financial reporting and disclosure obligations. In particular, the Board shall:

- approve the Annual Report and the quarterly earnings releases prior to their release;
- approve all other announcements, except those of a routine, regulatory nature;
- be responsible for the Company's dividend policy, and for proposing to shareholders any declaration of dividends;
- determine the Company's accounting policies and approve any changes to accounting policies;
- determine the Group's treasury policies and approve any changes to the Group's treasury policies;
- be responsible for the Company's reporting to its shareholders.

## **2.5 INTERNAL CONTROLS**

The Board has ultimate responsibility for the risk management of the Group. The Board shall:

- identify any risks which threaten the fulfilment of the Group's business objectives, including failure to perform in accordance with agreed business plans, non-compliance with law and regulation, fraud and material losses and failure to maintain appropriate accounting records;
- ensure that an effective system of internal controls is in place at all times to manage and mitigate those risks;
- be responsible for reporting to shareholders on the effectiveness of the Group's internal controls.

## **2.6 GROUP COMMUNICATIONS**

The Board is responsible for all communications issued by the Group, and in particular is responsible for:

- approval of the issue of all circulars, prospectuses and listing particulars;
- approval of all resolutions to be put to shareholders at annual and extraordinary general meetings.

## **2.7 BOARD COMPOSITION**

The Board shall determine its own composition, subject to the provisions of the Company's Articles of Incorporation. The Board shall:



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- authorise any changes to the size, structure and composition of the Board;
- recommend to shareholders the election of new directors and the re-election of existing directors, ensuring that all Directors are sufficiently skilled to make strategic decisions on behalf of the Company, and that the Board does not have a majority of Directors resident in a single territory;
- elect the Chairman and Senior Independent Director and appoint and remove the CEO, and delineate their respective responsibilities;
- ensure that adequate plans are in place for succession at CEO and senior management levels;
- constitute Board committees and approve the committees' terms of reference;
- appoint committee Chairmen and members;
- appoint and remove the Company Secretary.

## **2.8 CORPORATE GOVERNANCE**

The Board will ensure the effective corporate governance of the Group. The Board shall:

- review the Company's corporate governance arrangements, and make changes when appropriate, or when required for legal or regulatory reasons;
- consider the interests of shareholders, customers, employees and other stakeholders;
- be responsible for determining individual directors' independence;
- have responsibility for the Company's relations with its shareholders, including ensuring that appropriate channels of contact exist for shareholders wishing to enter into dialogue with the Company.

## **2.9 REMUNERATION**

The Board is responsible for setting remuneration policy for the directors, including the CEO's remuneration and Non-executive Directors' fees. The Board shall:

- have authority to approve any change to the CEO's remuneration, including salary, incentive and stock option awards;
- agree performance targets for the CEO, based on the recommendations of the Compensation Committee;
- have authority to implement and operate share incentive plans as approved by shareholders, and to make changes to existing plans. This authority may be delegated to the Compensation Committee.

## **2.10 POLICY MAKING**

The Board has responsibility for setting and approving policies. Except for the Code of Conduct and the Insider Dealing Code, the setting of policies will be delegated to the CEO.

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### **2.11 OTHER RESPONSIBILITIES**

- The Board is responsible for approving political and other donations.
- The Board is responsible for the appointment of the Company's key advisers.

### **2.12 BOARD EFFECTIVENESS**

The Board will, on an annual basis, review its own effectiveness, and take steps to improve its effectiveness wherever possible.

The Board will also review the effectiveness of the Chairman, CEO and other directors, and the effectiveness of its committees. The Board may delegate the task of conducting this review to its committees.

### **2.13 BOARD CHARTER**

The Board shall review and assess the adequacy of this Charter on an annual basis and make any changes which it considers appropriate.