

## Notice of Annual General Meeting of Shareholders

Notice is hereby given that the Annual General Meeting (“**Annual General Meeting**”) of Prosafe SE (“**Company**”) will be held at 09.00 am CEST on 8 May 2019, at Advokatfirmaet Schjødt AS' offices, Ruseløkkveien 14, P.O. Box 2444 Solli, 0201 Oslo, Norway, for the following purposes:

1. Appointment of the Chairperson of the Annual General Meeting
2. Approval of the agenda of the meeting
3. Approval of the report of the Board of Directors
4. Approval of the annual financial statements for the year ended 31 December 2018
5. Approval of the report of the Auditors on the annual financial statements for the year ended 31 December 2018
6. Re-election of KPMG Limited as the Auditors of the Company, and election of KPMG Norway as the Auditors for the Company effective upon the redomiciliation of the Company to Norway
7. Approval of the remuneration of the Auditors
8. Approval of the transfer of registered office (redomiciliation) of the Company from the Republic of Cyprus to Norway, in accordance with the provisions of Council Regulation (EC) No 2157/2001 (the “**SE Regulation**”), the Companies Law, Cap. 113 of the statutes of the Republic of Cyprus, the Regulations of the Republic of Cyprus, namely ΚΔΠ 290/2006 , the Norwegian Act on SE Companies of 1 April 2005 No. 14,<sup>1</sup> and the Transfer Proposal
9. Approval of the adoption of the Company's new Articles of Association which will be effective upon the redomiciliation of the Company to Norway
10. Board of Directors
  - a) Re-election of Glen Ole Rødland as a member of the Board of Directors
  - b) Re-election of Birgit Aagaard-Svendsen as a member of the Board of Directors
  - c) Re-election of Kristian Johansen as a member of the Board of Directors
  - d) Re-election of Svend Anton Maier as a new member of the Board of Directors
  - e) Election of Nina Udnes Tronstad as a member of the Board of Directors
11. Approval of remuneration of the Board of Directors, as proposed in Appendix 8
12. Election of the members of the Nomination Committee
  - a) Re-election of Mr. Thomas Raaschou
  - b) Re-election of Mrs. Annette Malm Justad
13. Approval of the remuneration of the members of the Nomination Committee, as proposed in Appendix 8
14. Approval of Instructions for the Nomination Committee

Pursuant to Article 127B of Cyprus Companies Law Cap. 113 a shareholder or shareholders holding at least 5% of the issued share capital representing at least 5% of the voting rights of all the shareholders entitled to vote at the meeting may propose a) an issue or a resolution to be added to the agenda and b) table the draft of the item or proposed resolution to be included on the agenda; at least 42 days before the date of Annual General Meeting by post to Prosafe SE, Forusparken 2, 4064 Stavanger, Norway or by email to [wenche.rommetvedt.fjose@prosafe.com](mailto:wenche.rommetvedt.fjose@prosafe.com)

Pursuant to Article 128 C of Cyprus Companies Law Cap. 113 a shareholder may ask questions regarding items on the agenda.

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<sup>1</sup> Norwegian title: "Lov 1. april 2005 nr. 14 om europeiske selskaper ved gjennomføring av EØS-avtalen vedlegg XXII nr. 10a (rådsforordning (EF) nr. 2157/2001) (SE-loven)".

The Company has issued and allotted 81,784,212 ordinary shares, and each share confers the right to one vote at the Company's General Meeting. In order to be entitled to vote at the Annual General Meeting a shareholder must be registered as the legal owner of the shares in the register of shareholders of the Company with the Norwegian VPS as of 6 May 2019.

Shareholders who wish to attend the meeting must notify the Company of their intention to attend by 9 a.m. CEST on 7 May 2019 by returning the enclosed form.

A shareholder entitled to attend and vote at the Annual General Meeting either in person or by proxy is requested to complete the notice of attendance or proxy form (if without voting instructions) attached in Appendix 1, or if the proxy shall be given with voting instructions, then to complete the form attached in Appendix 2. Please return the notice of attendance or proxy form, with or without voting instructions (together with any supporting documents) by 9 a.m. CEST on 7 May 2019, in accordance with the instructions set out in Appendix 1 or 2. Proxy may, if desirable, be given to Mr. Glen Rødland (Chairman). A proxy need not be a shareholder of the Company.

Shareholders are entitled to cast votes electronically before the meeting without requiring their attendance or appointment of a proxy. Shareholders who wish to exercise that right are requested follow the instructions for electronic voting contained in Appendix 1.

This notice, its appendices and the Company's Articles and Memorandum of Association are also available in PDF format on the Company's website at [www.prosafe.com](http://www.prosafe.com) from the date of this notice.

#### **Appendices:**

1. Notice of Attendance at the Annual General Meeting / Proxy
2. Detailed Voting Instructions
3. Background for proposed Redomiciliation to Norway and Overview over Proposed Resolutions
4. Transfer Proposal
5. Explanatory Report
6. Articles of Association to be effective on registration of the Company's Redomiciliation to Norway
7. Report on Executive Remuneration from the Compensation Committee
8. Nomination Committee Report
9. Instructions for the Nomination Committee

The Annual Report of the Company for the financial year ended 31 December 2018, which includes the set of financial statements, the directors' report and the auditors' report, is available on the Company's website [www.prosafe.com](http://www.prosafe.com) and will be also upon request from Wenche Rommetvedt Fjose by telephone +47 51 64 25 70 or by e-mail [wenche.rommetvedt.fjose@prosafe.com](mailto:wenche.rommetvedt.fjose@prosafe.com)

By order of the Board

Elena Hajiroussou  
Secretary  
Date: 15 April 2019



## APPENDIX 1 – NOTICE OF ATTENDANCE AT THE ANNUAL GENERAL MEETING / PROXY

<b>"last name + first name"</b>	<b>Ref no:</b>	<b>PIN code:</b>
<b>"name 3"</b>	<b>Notice of Annual General Meeting</b>	
<b>"address 1"</b>		
<b>"address 2"</b>	An Annual General Meeting of <b>PROSAFE SE</b> will be held on 8 May 2019 at at 09.00 am CEST at Advokatfirmaet Schjødt AS' offices, Ruseløkkveien 14, P.O.Box 2444 Solli, 0201 Oslo, Norway	
<b>"postal code + town"</b>		
<b>"country"</b>		

If the above-mentioned shareholder is an enterprise, it will be represented by:

\_\_\_\_\_ Name of enterprise's representative  
(To grant a proxy, use the proxy form below)

### Notice of attendance/voting prior to the meeting

The undersigned will attend the Annual General Meeting on 8 May 2019 and vote for:

	Own shares
	Other shares in accordance with <u>enclosed Power of Attorney</u>
A total of _____	Shares

This notice of attendance must be received by DNB Bank ASA no later than 09.00 a.m. CEST on 7 May 2019.

Notice of attendance may be sent electronically through the Company's website [www.prosafe.com](http://www.prosafe.com) or through VPS Investor Services. Advance votes may only be cast electronically, through the Company's website [www.prosafe.com](http://www.prosafe.com) or through VPS Investor Services no later than 9.00 a.m. CEST on 7 May 2019. To access the electronic system for notification of attendance and advance voting through the Company's website, the above-mentioned reference number and PIN code must be stated.

Notice of attendance may also be sent by e-mail: [vote@dnb.no](mailto:vote@dnb.no), or by regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

_____	_____	_____
Place	Date	Shareholder's signature (If attending personally. To grant a proxy, use the proxy form)

**Proxy (without voting instructions) Annual General Meeting of PROSAFE SE**

**Ref no:**

**PIN code:**

This proxy form is to be used for a proxy without voting instructions. To grant a proxy with voting instructions, please complete Appendix 2.

If you are unable to attend the Annual General Meeting in person, this proxy may be used by a person authorised by you, or you may send the proxy without naming the proxy holder, in such case, the proxy will be deemed to be given to the Chair of the Board of Directors or a person authorised by him.

The proxy form should be received by DNB Bank ASA, Registrar's Department no later than 09.00 a.m. CEST on 7 May 2019.

**The proxy may be sent electronically through Prosafe SE's website [www.prosafe.com](http://www.prosafe.com), or through VPS Investor Services.** It may also be sent by e-mail: [vote@dnb.no](mailto:vote@dnb.no) Post to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

**The undersigned** \_\_\_\_\_ **"last name + first name"** \_\_\_\_\_

A total of \_\_\_\_\_ Own shares  
Other shares in accordance with enclosed Power of Attorney  
Shares

hereby grants (tick one of the two):

- the Chair of the Board of Directors (or a person authorised by him), or
- Jesper K. Andresen, CEO (or a person authorised by him), or
- \_\_\_\_\_  
(Name of proxy holder in capital letters)

a proxy to attend and vote for my/our shares at the Annual General Meeting of Prosafe SE on 8 May 2019.

\_\_\_\_\_  
Place

\_\_\_\_\_  
Date

\_\_\_\_\_  
Shareholder's signature  
(Signature only when granting a proxy)



## APPENDIX 2 – DETAILED VOTING INSTRUCTIONS

Ref no:

PIN code:

### Proxy with Voting Instructions

(Advance votes may be cast electronically through the Company's website [www.prosafe.com](http://www.prosafe.com))

If you are unable to attend the Annual General Meeting in person, you may use this proxy form to give voting instructions. You may grant a proxy with voting instructions to a person authorised by you, or you may send the proxy without naming the proxy holder, in which case the proxy will be deemed to have been given to the Chair of the Board of Directors or a person authorised by him.

The proxy form must be received by DNB Bank ASA, Registrar's Department, no later than 09.00 a.m. CEST on 7 May 2019

It may be **sent by e-mail:** [vote@dnb.no](mailto:vote@dnb.no) / regular mail to DNB Bank ASA, Registrar's Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway.

**THE UNDERSIGNED:** \_\_\_\_\_

hereby grants (tick one of the two):

- the Chair of the Board of Directors (or a person authorised by him), or
- Jesper K. Andresen, CEO (or a person authorised by him), or

\_\_\_\_\_

Name of proxy holder (in capital letters)

a proxy to attend and vote for my/our shares at the Annual General Meeting of **Prosafe SE** on 8 May 2019.

The votes shall be exercised in accordance with the instructions below. Please note that if any items below are not voted on (not ticked off); this will be deemed to be an instruction to vote "for" the proposals in the notice. However, if any motions are made from the floor in addition to or in replacement of the proposals in the notice, the proxy holder may vote or abstain from voting at his discretion. In such case, the proxy holder will vote on the basis of his reasonable understanding of the motion. The same applies if there is any doubt as to how the instructions should be understood. Where no such reasonable interpretation is possible, the proxy holder may abstain from voting.

Resolution	For	Against	Abstain
1. Appointment of the Chairperson of the Annual General Meeting	†	†	†
2. Approval of the agenda of the meeting			
3. Approval of the report of the Board of Directors			
4. Approval of the annual financial statements for the year ended 31 December 2018			
5. Approval of the report of the Auditors on the annual financial statements for the year ended 31 December 2018			
6. Re-election of KPMG Limited as the Auditors of the Company, and election of KPMG Norway as the Auditors for the Company effective upon the redomiciliation of the Company to Norway			

7. Approval of the remuneration of the Auditors			
8. Approval of the transfer of registered office (redomiciliation) of the Company from the Republic of Cyprus to Norway, in accordance with the provisions of Council Regulation (EC) No 2157/2001 (the "SE Regulation"), the Companies Law, Cap. 113 of the statutes of the Republic of Cyprus, the Regulations of the Republic of Cyprus, namely ΚΔΠ 290/2006 , the Norwegian Act on SE Companies of 1 April 2005 No. 14, and the Transfer Proposal			
9. Approval of the adoption of the Company's new Articles of Association which will be effective upon the redomiciliation of the Company to Norway			
10.a) Re-election of Glen Ole Rødland as a member of the Board of Directors			
10.b) Re-election of Birgit Aagaard-Svendsen as a member of the Board of Directors			
10.c) Re-election of Kristian Johansen as a member of the Board of Directors			
10.d) Re-election of Svend Anton Maier as a new member of the Board of Directors			
10.e) Election of Nina Udnes Tronstad as a member of the Board of Directors			
11. Approval of remuneration of the Board of Directors			
12.a) Re-election of Mr Thomas Raaschou as member and chair of the Nomination Committee			
12.b) Re-election of Mrs Annette Malm Justad as member of the Nomination Committee			
13. Approval of the remuneration of the members of the Nomination Committee			
14. Approval of Instructions for the Nomination Committee			

Place

Date

Shareholder's signature  
(Only for granting proxy with voting instructions)

## **APPENDIX 3 – BACKGROUND FOR PROPOSED REDOMICILIATION TO NORWAY AND OVERVIEW OVER PROPOSED RESOLUTIONS**

### **Background:**

It is proposed that Prosafe SE transfer its registered office (redomicile) from Cyprus to Norway in accordance with the provisions of the SE Regulation (the “**Redomiciliation**”).

The proposed redomiciliation falls within the context of the continuous reorganization of the Group in which the Company belongs, aiming at the simplification of the Group’s organization. The reason for the relocation proposal is, amongst others, that the Company’s shares are listed on the Oslo Stock Exchange and that the Company’s management is located in Stavanger. Thus, relocation to Norway would facilitate the Company’s business and reduce necessary administrative work resulting from the fact that the Company is a Cyprus SE-company listed on the Oslo Stock Exchange.

Against this background, it is the Board’s opinion that relocation to Norway will be an important strategic decision and would benefit the Company and its shareholders.

The Company’s current registered office is situated at: Metochiou 73, Engomi, 2407 Nicosia, Cyprus.

The Company is permitted by the SE Regulation Article 8 and clause 34 of its current Memorandum of Association to procure its registration in any country or place.

In connection with the proposed Redomiciliation, the Board of Directors of the Company have prepared and made available to the shareholders at the Company’s registered office (i) a transfer proposal (attached as Appendix 4) (the “**Transfer Proposal**”) detailing *inter alia* the current status of the Company, the proposed registered office in Norway, the constitutional documents the Company will adopt in Norway and the impact of the Redomiciliation on employees and creditors of the Company; and (ii) an explanatory report (attached as Appendix 5) (the “**Explanatory Report**”) with the justification of the legal and economic aspects of the Redomiciliation and implications of the Redomiciliation for the shareholders, creditors and employees of the Company. The Transfer Proposal and Explanatory Report have been available to the shareholders at the Company’s registered office since December 2018.

The Transfer Proposal and Explanatory Report have also been published in the Official Gazette of Cyprus on 18<sup>th</sup> January 2018.

Once the Company’s shareholders approve (i) the Redomiciliation; and (ii) the adoption of the Company’s new Articles of Association, submissions will be made at the appropriate time to the Cyprus Registrar of Companies for the Registrar’s approval of the Redomiciliation.

If the Cyprus Registrar of Companies is in approval with the submissions, it will issue a certificate, which will certify the completion of the acts and formalities which are required to be performed before the Redomiciliation.

The Company will be registered in Norway with the Norwegian Register of Business Enterprises ("**Norwegian Registrar**"), provided that the issuance of the certificate by the Cyprus Registrar of Companies and the completion of all the other formalities required for the registration in Norway have been completed.

The Norwegian Registrar will subsequently notify the Cyprus Registrar of Companies for the registration of the Company in Norway, so that the Company may be removed from the registry of the Cyprus Registrar of Companies.

The Transfer Proposal includes a draft timetable for the proposed Redomiciliation which was noted to be subject to change. The Company decided to propose the shareholders approve the Redomiciliation within the AGM rather than to call for a separate extraordinary general meeting, as such the timetable has been affected so that the AGM is held in May 2019, and indicatively in each case, the submission of the relevant documents to the Cyprus Registrar of Companies is anticipated to take place in May 2019, and the issuance of the certificate by the Cyprus Registrar of Companies, application to the Norwegian registrar and completion of the Redomiciliation by removal of the Company from the Cyprus registry is anticipated to take place in June/July 2019.

The Redomiciliation will take effect on the Company's date of registration with the Norwegian Registrar and will be notified by notice in the Official Gazette of the Republic of Cyprus where its removal from the registry of the Cyprus Registrar of Companies will be published as well as in the Official Gazette of the European Union in accordance with European Directive 68/151/EEC.



## **Proposed Resolutions:**

Terms defined in the background information have the same meaning given to them herein.

### **1. Appointment of Chairperson of the Annual General Meeting**

It is proposed that Mr. Glen Ole Rødland (or his Proxy) be appointed as chairperson of the meeting.

It is proposed that the General Meeting resolves:

#### **ORDINARY RESOLUTION No. 1**

**THAT** Mr. Glen Ole Rødland (or his Proxy) is appointed as chairperson of the meeting.

### **2. Approval of the agenda of the meeting.**

It is proposed that the agenda of the meeting as specified in the Notice of the Meeting be approved.

It is proposed that the General Meeting resolves:

#### **ORDINARY RESOLUTION No. 2**

**THAT** the agenda of the meeting as specified in the Notice of the Meeting be approved.

### **3. Approval of the report of the Board of Directors.**

It is proposed that the report of the Board of Directors for the year ended 31 December 2018 be approved.

It is proposed that the General Meeting resolves:

#### **ORDINARY RESOLUTION No. 3**

**THAT** the report of the Board of Directors for the year ended 31 December 2018 be approved.

### **4. Approval of the annual financial statements for the year ended 31 December 2018.**

It is proposed that the annual financial statements for the year ended 31 December 2018 be approved.

It is proposed that the General Meeting resolves:

#### **ORDINARY RESOLUTION No. 4**

**THAT** the annual financial statements for the year ended 31 December 2018 be approved.

**5. Approval of the report of the Auditors on the annual financial statements for the year ended 31 December 2018.**

It is proposed that the report of the Auditors on the annual financial statements for the year ended 31 December 2018 be approved.

It is proposed that the General Meeting resolves:

**ORDINARY RESOLUTION No. 5**

**THAT** the report of the Auditors on the annual financial statements for the year ended 31 December 2018 be approved.

**6. Re-election of KPMG Limited as the Auditors of the Company, and election of KPMG Norway as the Auditors for the Company effective upon the redomiciliation of the Company to Norway**

It is proposed that the Company re-elects KPMG Limited as the Auditors of the Company, and elect of KPMG Norway as the Auditors for the Company effective upon the date that the transfer of registered office of the Company is registered at The Norwegian Register of Business Enterprises.

It is proposed that the General Meeting resolves:

**ORDINARY RESOLUTION No. 6(a)**

- a) **THAT** KPMG Limited is re-elected as the Auditors of the Company until the date that the transfer of registered office of the Company is registered at The Norwegian Register of Business Enterprises.

**ORDINARY RESOLUTION No. 6(b)**

- b) **THAT** KPMG Norway is elected as the Auditors of the Company effective upon the date that the transfer of registered office of the Company is registered at The Norwegian Register of Business Enterprises.

**7. Remuneration of the Auditors**

It is proposed that the remuneration of the Auditors of the Company be set at USD 321,000 for audit services and USD 17,000 for other services.

It is proposed that the General Meeting resolves:

**ORDINARY RESOLUTION No. 7**

**THAT** the remuneration of the Auditors of the Company be set at USD 321,000 for audit services and USD 17,000 for other services.

## **8. Approval of the Redomiciliation**

It is proposed to transfer the registered office and corporate seat of the Company to Norway, where it shall continue to exist as a Societas Europaea in accordance with the SE Regulation, the Norwegian Act on SE companies, and as more particularly set out in the Transfer proposal.

It is proposed that the General Meeting resolves:

### **SPECIAL RESOLUTION No. 1**

**THAT** the transfer of the registered office and corporate seat of the Company from the Republic of Cyprus to Norway and its continuation as a Societas Europaea in Norway, in accordance with the provisions of the Council Regulation (EC) No 2157/2001, the Companies Law, Cap. 113 of the statutes of the Republic of Cyprus, the Regulations of the Republic of Cyprus, namely ΚΔΠ 290/2006 and the Norwegian Act on SE Companies of 1 April 2005 No. 14, pursuant to the terms set out in the Transfer Proposal (a copy of which is attached) is approved.

## **9. Approval of the constitutional documents to be adopted by the Company on its Redomiciliation to Norway**

It is proposed that the Company will adopt the articles of association attached hereto as Appendix 6 upon and effective from its Redomiciliation to Norway, the effective date of which shall be the date that the transfer of registered office of the Company is registered at The Norwegian Register of Business Enterprises.

It is proposed that the General Meeting resolves:

### **SPECIAL RESOLUTION No.2**

**THAT** the Company's memorandum and articles of association shall be replaced in their entirety with the articles of association attached hereto as Appendix 6, taking effect immediately on the date that the transfer of registered office of the Company is registered at The Norwegian Register of Business Enterprises and from which date the laws of Norway shall apply to the Company.

## **10. Re-election of members of the Board of Directors and Appointment of a new member of the Board of Directors**

The Company has received the resignation of Roger Cornish from his position as director of the Company, effective from the date of this Annual General Meeting.

It is proposed that the Company re-elects Glen Ole Rødland, Birgit Aagaard-Svendsen, Kristian Johansen and Svend Anton Maier as members of the Board of Directors and appoints Nina Udnes Tronstad as a new member of the Board of Directors, all to be due for re-election in 2020.

The recommendation is supported by the Nomination Committee. Details are contained in the Nomination Committee report attached hereto as Appendix 8.

It is proposed that the General Meeting resolves:

**ORDINARY RESOLUTION No. 10(a)**

- a) **THAT** Glen Ole Rødland be and is hereby re-elected as a member of the Board of Directors effective from the date of these resolutions.

**ORDINARY RESOLUTION No. 10(b)**

- b) **THAT** Birgit Aagaard-Svendsen, be and is hereby re-elected as a member of the Board of Directors effective from the date of these resolutions.

**ORDINARY RESOLUTION No. 10(c)**

- c) **THAT** Kristian Johansen, be and is hereby re-elected as a member of the Board of Directors effective from the date of these resolutions.

**ORDINARY RESOLUTION No. 10(d)**

- d) **THAT** Svend Anton Maier, be and is hereby re-elected as a member of the Board of Directors effective from the date of these resolutions.

**ORDINARY RESOLUTION No. 10(e)**

- e) **THAT** Nina Udnes Tronstad, be and is hereby elected as a new member of the Board of Directors effective from the date of these resolutions.

**11. Remuneration of the directors**

It is proposed that the following remuneration of the Directors, with effect from the Annual General Meeting, be approved:

	<b>Board member fee</b>	<b>Audit Committee fee</b>	<b>Compensation Committee fee</b>	<b>Travel time allowance for each meeting</b>
All members	USD 68,000	USD 10,000	USD 10,000	USD 1,500 for board meetings outside his/her country of residence
Deputy Chair	USD 84,000			As for other members
Chair	USD 110,000	Additional USD 10,000	Additional USD 5,000	As for other members

Further, any costs incurred by the Directors in relation to their participation as a member of Board or any of the committees, will be reimbursed by the Company. All fees and costs will be paid on a biannual basis in arrears.

## 12. Election of members of the Nomination Committee

It is proposed that the following persons be re-elected as members and chair of the Nomination Committee:

a) to re-elect Mr. Thomas Raaschou as a member and chair of the Nomination Committee for a period of one year.

b) to re-elect Mrs. Annette Malm Justad as a member of the Nomination Committee for a period of one year.

### ORDINARY RESOLUTION No. 12(a)

a) **THAT** Mr. Thomas Raaschou be and is hereby elected as a member and chair of the Nomination Committee for a period of one year.

### ORDINARY RESOLUTION No. 12(b)

b) **THAT** Mrs. Annette Malm Justad be and is hereby elected as a member of the Nomination Committee for a period of one year.

## 13. Remuneration of the members of the Nomination Committee

It is proposed to approve the remuneration of chair and other member of the Nomination Committee as follows:

	<b>Member Fee</b>	<b>Remuneration for each meeting</b>
All Members	USD 5,800	USD 850
Chair	Additional USD 1,700	As for other members

### ORDINARY RESOLUTION No. 13

**THAT** the following remuneration of chair and member of the Election Committee be approved, as follows:

	<b>Member Fee</b>	<b>Remuneration for each meeting</b>
All Members	USD 5,800	USD 850
Chair	Additional USD 1,700	As for other members

## 14. Instructions for the Nomination Committee

It is proposed that the instructions for the Nomination Committee attached hereto as Appendix 8 are approved.

It is proposed that the General Meeting resolves:

**ORDINARY RESOLUTION No. 14**

**THAT** the instructions for the Nomination Committee attached hereto as Appendix 9 are approved.

## **APPENDIX 4 – TRANSFER PROPOSAL**

### **PROSAFE SE**

European Company (SE) with an issued capital of €[8,178,421.20]

Registered Office: Metochiou 73, Engomi, 2407 Nicosia, Cyprus

### **Transfer report for the proposed transfer of the registered office of the Company from the Republic of Cyprus to Norway (the “Proposal”)**

The present Proposal was prepared by the Board of Directors of the company Prosafe SE (the “**Company**”) on 5 December 2018 in relation to the proposed transfer of the Company’s registered office from Cyprus to Norway (the “**Proposed Transfer**”), pursuant to the applicable provisions of Article 8 of the Council Regulation of the EU (EC) No. 2157/2001 of 8<sup>th</sup> October 2011 of the legislation concerning the European company) (SE) (the “**EU Regulation**”), the Regulations of the Republic of Cyprus, namely ΚΔΠ 290/2006 (the “**Cyprus Regulations**”), the Cyprus Companies Law, Cap. 113 and the Norwegian Act on SE Companies of 1 April 2005 No. 14.

The purpose of the present Proposal is to present information about the Company in relation to the Proposed Transfer, the possible impact that the Proposed Transfer may have on the employees and the rights for protection of the Company’s shareholders and creditors.

The present Proposal includes a draft timetable of the Proposed Transfer as well as the Company’s new Articles of Association (attached as Appendix A), which will enter into force when the Proposed Transfer is completed. An extraordinary general meeting of the Company’s shareholders will be convened when the shareholders will be called to approve the Proposed Transfer.

#### **A. Review of the Proposed Transfer**

##### **(1) Existing description and main features of the Company**

###### *(a) Form and registered office of the Company*

The Company is a European Company (Societas Europaea or SE) under the current name Prosafe SE and is registered in Cyprus. The Company has a Board of Directors, and its registered office is today at Metochiou 73, Engomi, 2407 Nicosia, Cyprus. The proposed registered address in Norway will be Forusparken 2, 4031 Stavanger. The new correspondence address will be P.O. Box 39 Forus, 4064 Stavanger.

###### *(b) Registration and applicable legislation*

The Company is registered with the Department of Registrar of Companies and Official Receiver (the “**Cyprus Registrar of Companies**”) with registration no. SE 4 and is governed by the Cyprus Companies Law, Cap. 113, the SE Regulation and its current Articles of Association.

*(c) Review of the business activity*

The Company is a holding company and constitutes part of the Prosafe Group of Companies. The Company has as its main activities the acquisition and operation of semi-submersible accommodation vessels<sup>1</sup>.

*(d) Share capital*

The authorised share capital of the Company is EUR 14,022,017.70 divided into 112,283,474 ordinary shares of EUR 0.10 each and 27,936,703 undesignated shares of EUR 0.10 each.

The issued share capital of the Company is EUR 8,178,421.20 divided into 81,784,212 ordinary shares of nominal value EUR 0.10 each.

*(e) Analysis of the Company's share capital and voting rights*

The directors of the Company are not, as at the date of the present Proposal, aware of any material change in the share capital and voting rights of the Company, which are attached to the Company's shares in relation to what is defined in paragraph A.1(d) of the present Proposal.

*(f) Insolvency proceedings, which exclude the Proposed Transfer*

No proceedings of dissolution, liquidation, insolvency, suspension of payments or other similar proceedings that could exclude the Proposed Transfer as defined in Article 8 paragraph 15 of the SE Regulation have been, as at the date of the present Proposal, initiated in relation to the Company.

**(2) Rational of the Proposed Transfer**

The Proposed Transfer falls within the context of the continuous reorganization of the Group in which the Company belongs, aiming at the simplification of the Group's organization. The reason for this relocation proposal is, amongst others, that the Company's shares are listed on the Oslo Stock Exchange and that the Company's management is now located in Stavanger. Thus, relocation to Norway would facilitate the Company's business and reduce necessary administrative work resulting from the fact that the Company is a Cyprus SE-company listed on the Oslo Stock Exchange.

Against this background, it is the Board's opinion that relocation to Norway will be an important strategic decision and would benefit the Company and its shareholders.

**(3) Main stages of the Proposed Transfer**

*(a) Proposal for the Proposed Transfer*

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<sup>1</sup> Company to add or amend



This Proposal will be submitted to the Cyprus Registrar of Companies at least two months before the date of the general meeting of the Company's shareholders in which they will be called to vote on the Proposed Transfer. This Proposal will be available to the Company's shareholders and creditors for review at the Company's registered office.

It will be also published in the Official Gazette of the Republic of Cyprus.

*(b) Explanatory Report of the Board of Directors on the Proposed Transfer*

Pursuant to the provisions of Article 8, paragraph 3 of the SE Regulation, the Company's Board of Directors has prepared an explanatory report on the Proposed Transfer which sets out the legal and financial aspects of the Proposed Transfer and the consequences for the Company's shareholders, creditors and employees; which will be available to the Company's shareholders and creditors at the Company's registered office at least one month before the date of the Company shareholders' meeting in which they will be called to vote on the Proposed Transfer.

*(c) Shareholders' vote on the Proposed Transfer*

An extraordinary general meeting of the Company's shareholders will be convened for the purpose of securing the approval of the Company's shareholders for: (i) the Proposed Transfer; (ii) the adoption of the Company's new Articles of Association; and (iii) the appointment of a new Director.

*(d) Completion of the formalities of the Cyprus Registrar of Companies before the Proposed Transfer*

Pursuant to the provisions of Article 8, paragraph 3 of the SE Regulation and the Cyprus Regulations, the Cyprus Registrar of Companies will issue a certificate, which will certify the completion of the acts and formalities to be performed before the Proposed Transfer.

*(e) Registration of the Company in Norway*

The Company will be registered in Norway with the Norwegian Register of Business Enterprises ("**Norwegian Registrar**"), provided that the issuance of the certificate by the Cyprus Registrar of Companies and the completion of all the other formalities required for the registration in Norway have been completed.

The Norwegian Registrar will subsequently notify the Cyprus Registrar of Companies for the registration of the Company in Norway, so that the Company may be removed from the registry of the Cyprus Registrar of Companies.

The Proposed Transfer will take effect on the Company's date of registration with Norwegian Registrar and will be notified by notice in the Official Gazette of the Republic of Cyprus where its removal from the registry of the Cyprus Registrar of Companies will be published as well as in the Official Gazette of the European Union in accordance with European Directive 68/151/EEC.

*(f) Effective Date of the Proposed Transfer*

Pursuant to the provisions of Article 8, paragraph 10 of the SE Regulation, the Proposed Transfer and the subsequent amendments of the Company's Articles of Association will take effect on the date of the Company's registration with Norwegian Registrar. The provisions of Norwegian legislation will, from that date, apply on the Company.

#### **(4) Legal framework governing the Proposed Transfer**

Pursuant to the provisions of Article 8, paragraph 1 of the SE Regulation, the registered office of a European company (SE) may be transferred from one member state of the European Union to another member state of the European Union and any such transfer does not entail the dissolution of this company or the creation of a new legal person.

The following legislation and regulations apply to European companies registered in Cyprus and Norway:

- The SE Regulation;
- ΚΔΠ 290/2006 of Cyprus;
- The Cyprus Companies Law Cap. 113;
- The SI Regulation no. 2004/2326 on the European Public Limited Liability Companies as amended;
- The Norwegian Act on SE Companies of 1 April 2005 No. 14.

#### **B. Rights and Protection of the interests of the Company's Shareholders**

The present Proposal will be available to the Company's shareholders for inspection at the Company's registered office. An explanatory report has been prepared by the Directors on the Proposed Transfer, which explains and justifies the legal and financial aspects of the Proposed Transfer as well as its impact on the Company's shareholders, creditors and employees and will be available to Company's shareholders at least one month before the Extraordinary General Meeting that will be convened for holding a vote on the Proposed Transfer.

#### **C. Rights and Protection of the Company's Creditors' interests**

The present Proposal will be available to the Company's Creditors for review at the Company's registered office. As defined herein, the Company's creditors will be entitled during the period of one month prior to the shareholders' meeting, to review the report of the Board of Directors on the Proposed Transfer.

When a plan to transfer the registered office of an SE to another member of the EEA has been adopted, the directors of the company must make a statutory statement that they have fully investigated the Company's affairs and that they have, by having acted in this way, formed the view that the Company will be in a position to pay its debts in full within such a period not exceeding twelve months from the adoption of the plan, which will include a statement of the Company's assets and liabilities as at the latest practically possible date before this statement.

Also, Article 8, paragraph 16 of the SE Regulation provides that an SE, which has transferred its registered office to another member state (i.e. Norway), shall be considered, in respect of any

course of action arising before the transfer as defined in paragraph 10, to have its registered office in the EU member state where the SE was registered before the transfer (i.e. Cyprus), even if the SE is sued after the transfer, thus retaining any creditor's claims at a place that will facilitate the creditor.

Furthermore, Article 8, paragraph 13 of the SE Regulation provides that on publication of the SE's new registration, the new registered office may be relied on as against third parties. However, as long as the deletion of the SE's registration from the register for its previous registered office has not been publicised, third parties may continue to rely on the previous registered office unless the SE proves that such third parties were aware of the new registered office.

#### **D. Impact of the Proposed Transfer on the Employees of the Company**

The Company has no employees.

#### **E. Draft timetable for the Proposed Transfer**

Week ending on dd December	Submission of the Proposal for the Proposed Transfer to the Cyprus Registrar of Companies. The Proposal for the Proposed Transfer is available at the Company's registered address.
Week ending on dd December	Publication of the notices of the Proposed Transfer.
Week ending on dd January	Sending the notices for convening the Company's extraordinary general meeting. The Proposal and the explanatory report of the Board of Directors on the Proposal is available at the Company's registered office.
Week ending on dd January	Meeting of the Company's shareholders who will be called to vote on the Proposed Transfer; to adopt the new Articles of Association which are in accordance with Norwegian legislation, which will enter into force after the completion of the Proposed Transfer to Norway, and to appoint a member of the Board of Directors.

Week ending on dd Match	Submission of the relevant forms attaching, the resolution of the Extraordinary General Meeting, the Proposal, the Board of Directors explanatory report, the Balance Sheet, the Solvency Statement, a statement by a legal consultant, the new Articles of Association prepared pursuant to Norwegian legislation, and which will enter into force when the Proposed Transfer to Norway is completed, to the Cyprus Registrar of Companies in relation to the Proposed Transfer.
March	Issuance of a certificate by the Cyprus Registrar of Companies certifying the completion of the acts and formalities, which must be performed before the Proposed Transfer.
March	Application on behalf of the Company for registration to Norwegian Registrar.
March	Removal of the Company from the registry of the Cyprus Registrar of Companies and issuance of a notice for the transfer in the Official Journal of the EU.

***Please note that all the dates are approximated based on the existing expectations (and in particular, the calculations as to the time required for the processing of the documents by the Cyprus Registrar of Companies and Norwegian Registrar) and are subject to change.***

Prepared on 5 December 2018

## APPENDIX 5 – EXPLANATORY REPORT

1. The Board of Directors proposes that the registered office of Prosafe SE, reg. no. SE4 (the “**Company**”) shall be transferred from Nicosia, Cyprus to Forusparken 2, 4031 Stavanger, Norway, in accordance with the Council Regulation (EC) No 2157/2001 on the Statute for a European Company (SE) (the “**Transfer**”). The relevant authority in Norway is Foretaksregisteret (the “**Norwegian Register of Business Enterprises**”) address: Postboks 900, 8910 Brønnøysund, Norway, telephone no: +47 75 00 75 00, e-mail: [post@brreg.no](mailto:post@brreg.no).

*1. Styret foreslår att Prosafe SE, org. nr. SE4 (“**Selskapet**”) flytter sitt sete fra Nicosia, Kypros til Forusparken 2, 4031 Stavanger, Norge i samsvar med Rådsforordning (EG) nr. 2157/2001 om vedtektene for det europeiske selskap (SE)). Rett myndighet i Norge er Foretaksregisteret, adresse: Postboks 900, 8910 Brønnøysund, Norge, telefon: +47 75 00 75 00, e-post: [post@brreg.no](mailto:post@brreg.no).*

2. The Transfer falls within the context of the continuous reorganization of the group in which the Company belongs, aiming at the simplification of the group’s organization. The reason for this Transfer is, amongst others, that the Company’s shares are listed on the Oslo Stock Exchange and that the Company’s management is now located in Stavanger. Thus, relocation to Norway would facilitate the Company’s business and reduce necessary administrative work resulting from the fact that the Company is a Cyprus SE-company listed on the Oslo Stock Exchange.

Against this background, it is the Board’s opinion that relocation to Norway will be an important strategic decision and would benefit the Company and its shareholders.

*2. Flyttingen skjer som ledd i det kontinuerlige arbeidet med å reorganisere det konsernet som Selskapet inngår i, med sikte på forenkling. Begrunnelsen for forslaget om å flytte setet er blant annet at Selskapets aksjer er notert på Oslo Børs og at Selskapets ledelse nå er plassert i Stavanger. Flytting av setet vil derfor lette Selskapets virksomhet og redusere nødvendig administrativt arbeid som følger av at Selskapet er et kypriotisk SE-selskap notert på Oslo Børs.*

*På denne bakgrunn er styrets oppfatning at flytting av setet til Norge vil være strategisk viktig og at det vil være gunstig for både Selskapet og aksjeeierne.*

3. The Company has already implemented certain changes towards relocation and assumes to be subject to Norwegian tax, instead of Cypriot tax. The Norwegian corporate income tax rate is currently 23% (2018). A substantial part of the Company’s income will consist of dividends distributed by its subsidiaries. Dividends from all EU/EEA resident subsidiaries are tax exempt as long as the Company holds more than 90% of the shares in the subsidiary.

Taxation of the shareholders is determined by the residence for tax purposes of each shareholder. However, due to change of tax residency of the Company, shareholders that are tax resident in Cyprus may (depending on the specific circumstances of the shareholder) be subject to Norwegian taxation at source, for example withholding tax on dividends from the Company. Tax credit in Cyprus taxation should be available under available tax treaty.

Shareholders that are tax resident in another state than either Cyprus or Norway may (depending on the specific circumstances of the shareholder) be subject to Norwegian – but not Cypriot – taxation at source, for example withholding tax on dividends.

*3. Selskapet har allerede tatt skritt for å flytte, og antar det er skattepliktig til Norge og ikke til Kypros. For tiden er den norske selskapsskattesatsen 23 % (2018). Selskapets inntekter kommer for en stor del til å bestå av utdelinger fra Selskapets datterselskap. Utdelinger fra alle datterselskap som hører hjemme innen EU/EØS er unntatt fra beskatning dersom Selskapet har mer enn 90 % av eierandelene i datterselskapet.*

*Beskatningen av den enkelte aksjeeier blir bestemt av vedkommendes skatterettslige hjemsted. Endring av Selskapets hjemsted kan imidlertid – avhengig av særlige forhold knyttet til den enkelte aksjonær – innebære at aksjeeiere med skatterettslig hjemsted på Kypros, blir underlagt norsk kildeskatt, f.eks. kildeskatt på utdelinger fra Selskapet. Skattekreditt på kypriotisk skatt skal være mulig i henhold til skatteavtale.*

*Aksjeeiere som har skatterettslig hjemsted i en annen stat enn Kypros eller Norge, kan – avhengig av særlige forhold knyttet til den enkelte aksjeeier – etter flyttingen av Selskapets sete bli omfattet av norsk – og ikke kypriotisk – kildeskatt f.eks. på utdelinger.*

4. The Transfer does not result in the creation of a new legal entity, and the Company shall continue to exist and shall, from registration of the Transfer in Norway, be governed by the laws of Norway. Therefore, we consider that there should be no adverse consequences of the Transfer on the creditors of the Company.

The agreements with the banks contain provisions whereby the Company is permitted to change its legal domicile from Cyprus to Norway subject to such change of domicile not having any adverse effect on the position of the lenders under the finance documents or the warrants. In summary, our conclusions are: (i) the agreements will continue to be valid, binding and enforceable notwithstanding the redomiciliation; (ii) the security in favour of the lenders will continue to be valid, binding, enforceable and perfected notwithstanding the redomiciliation, however so that, based on a conservative approach, it may be advisable to take certain additional perfection steps in accordance with Norwegian law; (iii) the shares, the convertible bonds and the warrants will continue to constitute valid instruments and no additional corporate resolutions to ensure this will be required as a result of the redomiciliation, and (iv) no other adverse consequences of the redomiciliation for the Lenders have been identified.

Article 8, paragraph 16 of the SE Regulation provides that an SE, which has transferred its registered office to another member state (i.e. Norway), shall be considered, in respect of any course of action arising before the transfer, to have its registered office in the EU member state where the SE was registered before the transfer (i.e. Cyprus), even if the SE is sued after the transfer, thus retaining any creditor's claims at a place that will facilitate the creditor.

Furthermore, Article 8, paragraph 13 of the SE Regulation provides that on publication of the SE's new registration, the new registered office may be relied on as against third parties. However, as long as the deletion of the SE's registration from the register for its previous registered office has not been publicised, third parties may continue to rely on the previous registered office unless the SE proves that such third parties were aware of the new registered office.

4. Flyttingen innebærer ikke opprettelse av et nytt rettssubjekt. Selskapet skal fortsette å eksistere og skal fra registreringen av flyttingen i Norge være underlagt norsk rett. Vi anser derfor at flyttingen ikke vil ha noen negative konsekvenser for selskapets kreditorer.

*SE-forordningen artikkel 8 avsnitt 16 fastsetter at et SE-selskap som har flyttet sitt forretningskontor til en annen medlemsstat (dvs. Norge), skal med hensyn til enhver tvist som oppstår før flyttingen, betraktes som å ha sitt forretningskontor i den medlemsstat (dvs. Kypros) der SE-selskapet var registrert før flyttingen, selv om SE-selskapet saksøkes etter flyttingen.*

*Videre fastsetter SE-forordningen artikkel 8 avsnitt 13 at det nye forretningskontoret kan gjøres gjeldende overfor tredjepart etter at den nye registreringen av et SE-selskap er offentliggjort. Så lenge slettingen av registreringen av SE-selskapet fra registeret for det forrige forretningskontoret ikke er offentliggjort, kan tredjeparten likevel fortsatt påberope seg det forrige forretningskontoret, med mindre SE-selskapet beviser at tredjeparten hadde kjennskap til det nye forretningskontoret.*

5. The Company has no employees and therefore there are no implications of the Transfer on employees.

5. Selskapet har ingen ansatte. Flyttingen har derfor ingen konsekvenser for ansatte.



## APPENDIX 6 – ARTICLES OF ASSOCIATION TO BE EFFECTIVE ON REGISTRATION OF THE COMPANY'S REDOMICILIATION TO NORWAY

### VEDTEKTER FOR PROSAFE SE (org.nr. SE4)

(sist endret [=])

#### § 1 – Navn

Selskapets foretaksnavn er Prosafe SE.

#### § 2 – Forretningskontor

Selskapets forretningskontor er i Stavanger kommune i Norge.

#### § 3 – Formål

Prosafe SE skal eie og operere fartøy og annen offshore tonnasje relatert til olje og gassvirksomhet, og kan utføre enhver aktivitet knyttet til eierskap og drift i denne forbindelse. Prosafe SE kan investere i selskaper innen samme eller andre sektorer.

#### § 4 – Aksjekapital

Selskapets aksjekapital er EUR 8 178 421,2 fordelt på 81 784 212 aksjer, hver pålydende EUR 0,10

Selskapets aksjer skal være registrert i Verdipapirsentralen.

Når to eller flere personer eier en aksje i fellesskap, skal den aksjeeieren med lengst ansiennitet basert på rekkefølgen aksjeeierne er ført opp i aksjeeierregistret, opptre som aksjeeier overfor selskapet på vegne av alle sameierne.

#### § 5 – Styret

Selskapet er organisert i henhold til etnivåsystemet etter SE-forordningen artikkel 43 til 45.

Selskapets styre skal bestå av fra fem til syv medlemmer og

*UNOFFICIAL OFFICE TRANSLATION – IN CASE OF DISCREPANCIES THE NORWEGIAN VERSION SHALL PREVAIL:*

### ARTICLES OF ASSOCIATION FOR PROSAFE SE (reg. no. SE4)

(last amended on [=])

#### Article 1 – Name

The business name of the company is Prosafe SE.

#### Article 2 – Registered office

The registered office of the company is located in the municipality of Stavanger in Norway.

#### Article 3 – Objectives

Prosafe SE shall own and operate vessels and other offshore tonnage, related to oil and gas activities, as well as conduct any activity related to ownership and operation related to this. Prosafe SE may invest in companies within the same or other sectors.

#### Article 4 – Share capital

The company's share capital is EUR 8,178,421.2 divided into 81.784.212 shares each with nominal value of EUR 0.10.

The company's shares shall be registered with the Central Securities Depository.

When two or more persons hold the same share jointly, the more senior shareholder, based on the order in which the name of the shareholders stands in the register of shareholders, shall act as shareholder towards the company on behalf of all co-owners.

#### Article 5 – The board of directors

The company is organised in accordance with the one-tier system in the SE Regulation art. 43 to 45.

The company's board of directors shall consist of between five



maksimum 6 varamedlemmer.

Styresammensetningen skal være i samsvar med reglene i allmennaksjeloven og SE-loven med tilhørende forskrifter.

### **§ 6 – Signatur**

Selskapets firma tegnes av styret i fellesskap eller av styrets leder og daglig leder i fellesskap. Styret kan meddele prokura.

### **§ 7 – Ordinær generalforsamling**

Dokumenter som gjelder saker som skal behandles i selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjeeierne dersom dokumentene er tilgjengelige på selskapets internettside. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

Den ordinære generalforsamlingen skal behandle og avgjøre følgende:

- (i) Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
- (ii) Andre saker som etter lov eller vedtekter hører under generalforsamlingen.

### **§ 8 – Valgkomité**

Selskapet skal ha en valgkomité som består av to til tre medlemmer. Flertallet av medlemmene skal være uavhengige av styret og den daglige ledelse. Generalforsamlingen velger valgkomiteenes medlemmer, herunder valgkomiteens leder, for inntil to år av gangen.

Valgkomiteen skal avgjøre innstilling til valg av styreleder og andre medlemmer av styret, samt godtgjørelse til styrets medlemmer som kompensasjon for arbeid relatert til styrevervet.

Generalforsamlingen fastsetter godtgjørelse til medlemmene av valgkomiteen. Generalforsamlingen kan vedta instruks for valgkomiteen.

### **§ 9 – Regnskapsvaluta**

Selskapets regnskapsvaluta er USD.

### **§ 10 – Gjeldende lovgivning**

For øvrig vises det til SE-loven og SE-forordningen. Reglene i allmennaksjeloven gjelder tilsvarende bare så langt de passer, og såfremt ikke noe annet følger av SE-forordningen, vedtekter gitt i medhold av SE-forordningen, eller SE-loven.

and seven members and of minimum one and maximum six deputies.

The composition of the board shall be in accordance with the rules of the Public Limited Liability Companies Act and the SE Act with corresponding administrative regulations.

### **Article 6 – Signatory right**

The Board of Directors jointly or the Chairman of the Board and the CEO jointly are authorized to sign on behalf of the company. The Board of Directors may assign procuration.

### **Article 7 – Ordinary general meeting**

Documents relating to matters to be dealt with by the company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents that relates to matters to be dealt with at the general meeting, shall be sent to him/her.

The annual general meeting shall discuss and decide upon the following:

- (i) Approval of the annual accounts and annual report, including distribution of dividends.
- (ii) Any other matters that according to applicable laws or the Articles of Association are to be decided upon by the general meeting.

### **§ 8 – Nomination Committee**

The company shall have a nomination committee consisting of two to three members. The majority of the members shall be independent in relation to the board members and the company management. The general meeting will elect the member of the nomination committee, including the chairperson, for a term of up to two years.

The nomination committee shall give a proposal for chairperson and other members of the board of directors as well as remuneration to the board members related to the work as board member.

The general meeting determines the remuneration to the members of the nomination committee. The general meeting may adopt instructions for the nomination committee.

### **§ 9 – Accounting currency**

The company's accounting currency is USD.

### **Article 10 – Governing law**

The Norwegian SE Act and the SE Regulation apply to any other matters. The rules of the Norwegian Public Limited Liability Companies Act apply correspondingly only to the extent that they are appropriate, and unless otherwise provided by the SE Regulation, the Articles of Association issued pursuant to the SE Regulation, or the SE Act.

## **APPENDIX 7 – DECLARATION OF EXECUTIVE REMUNERATION**

### **PROSAFE SE – 2018**

#### **A. From the Compensation Committee**

*Details of the remuneration of Executive Management are presented in note 6 to the annual accounts. The process for the establishment of an effective reward package is set out in the Terms of Reference of the Compensation Committee, as set by the board, which will recommend annual changes to the package, to the board of directors for their approval.*

*Prosafe's' Compensation Philosophy is designed to ensure alignment with shareholder's expectations and to drive performance according to agreed strategy and targets. It rests on the company's core values where profitability, safety and ambition are key to nurture our results-driven culture.*

*The base compensation is competitively designed to attract and retain talented people who have a passion for business and continuously demonstrate the highest levels of performance., In contrast, the variable element seeks to drive short-term focus around specific performance targets with a link to longer term development via a requirement to invest a portion of variable pay earned into company shares to be held for a minimum period.*

*Despite another difficult year for the offshore accommodation industry, Prosafe delivered increased operating profit in 2018. As importantly, the Company was transformed and repositioned on the basis of the agreement entered into with Cosco for three new-build rigs and on the basis of the amendments that were agreed with lenders for the financing agreements. This combined with contract awards, a continued effort to strengthen the organisational clarity and deliver new efficiencies and operational performance all drove the company in the right direction.*

*The Board proposes to keep the level of the 2019 base compensation and the structure of the variable bonus element for executive management unchanged compared to 2018.*

**Roger Cornish, Director and Chair of the Compensation Committee**  
**13 March 2019**

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a (2), the Board will present the following declaration regarding remuneration of Prosafe's' Executive Management team to the 2018 annual general meeting.

Adopted by the board of directors (the "Board") of Prosafe SE (the "Company") at the meeting of 13 March 2019.

## B. PHILOSOPHY

The terms of employment of the CEO and the Executive Management are determined by the board, based on a detailed annual assessment of their salary and other remuneration.

Prosafe aims at providing a competitive total package for Executive Management. The basis for comparison is other listed service companies in the oil and gas sector in the geographic areas where Prosafe pursues its operations. The total remuneration package for the Executive Management comprises three principal elements – base pay, variable pay and other benefits such as pension.

The variable pay of the Executive Management is performance related and linked to the operations and development of the company for the purpose of value creation for shareholders. It is aligned to the company's Strategy, as set by the board and subject to the ethics and values of the company. The board reserves the right to reduce or even cancel any variable pay should unforeseen events damage the company's reputation and/or safe operating record. It is also subject to an absolute limit.

## C. TARGETS AND BENEFITS

Remuneration element	Target	Award level	Performance criteria
<b>Base salary</b>	Attract and retain the right individuals providing competitive but not market leading terms	Please refer to note 6 to Consolidated accounts	Competitive in line with industry benchmark
<b>Short-term incentive</b>	Drive and reward individuals for annual achievements of business objectives and maintain a strong link between compensation and Company's financial performance	Average of 81%	EBITDA SG&A costs Operating costs Investments Strategic projects Operational performance HSEQ
<b>Long-term incentive – use part of payout under short-term incentive to buy shares with a 3-year holding period</b>	Strengthen the alignment of top management and shareholder interests and retention of key employees	A percentage of the net amount paid under the bonus scheme shall be used to buy shares in Prosafe within a period of 9 months subject to insider trading regulations	Development according to strategy and targets agreed with the Board. The shares bought shall be held at least 3 years
<b>Pension &amp; Insurance scheme</b>	Industry competitive pension	Norway: 7 % of salary between 1 and 12 G, 3 % of salary between 7,1 and 12 G, 9% above 12G, United Kingdom: 10%	N/A

## APPENDIX 8 – NOMINATION COMMITTEE REPORT

### Report and Recommendations from the Prosafe SE Nomination Committee for the Annual General Meeting (“AGM”) to be held on 8 May 2019

Prosafe SE (“Prosafe” or “Company”) established a Nomination Committee (“Committee”) at the AGM held on 5 May 2003 in accordance with Regulation 54 of the prevailing Articles of Association of the Company. The Committee in 2018 consisted of Mr. Thomas Raaschou (chair) and Mrs. Annette Malm Justad who were elected by the AGM on 3 May 2018 (“2018 AGM”). Mr. Raaschou and Mrs. Malm Justad have served as members of the Committee for eight years and three years, respectively. According to Section 8 of the proposed new Articles of Association, to be adopted at the AGM on 8 May 2019 (“2019 AGM”), the Company shall have a Nomination Committee consisting of two to three members. The majority of the members shall be independent in relation to the board members and the company management. The 2019 AGM shall elect the members of the Nomination Committee, including the chairperson, for a term of up to two years.

Provided the AGM’s approval of item 8, the duties of the Nomination Committee is proposed further regulated in the Instructions to the Nomination Committee (the “Instructions”). The Instructions is set out in Appendix 9 to the Calling Notice.

Mr. Raaschou is the co-founder and Chief Executive Officer at NOMA Capital and is currently a shareholder of Prosafe. Mrs. Malm Justad is a partner with Recore Norway AS. Both are due for re-election in 2019.

Neither of the members of the Committee are employees of Prosafe or members of the Board of Directors (“BoD”) of Prosafe.

The main duties of the Committee are to evaluate and submit a recommendation to the AGM on the following matters:

- Nominees for election as members of the BoD of Prosafe and the Chair of the BoD
- Nominees for election as members of the Committee and the Chair of the Committee
- The proposed remuneration of the BoD and the members of the Committee

Since the 2018 AGM, the Committee has held 6 meetings in preparation for the forthcoming AGM to be held on 8 May 2019.

The Committee has discussed Board self-evaluation, Board composition and recruitment, Director elections, Committee instructions, Committee work and composition, Committee member elections, Director and Committee remuneration, and length of appointment of both the Board Directors and members of the Committee.

In addition, the Committee has held meetings and discussions with shareholders, current Directors, senior executives and with potential candidates. The Committee has ensured that there has been ample opportunity for all shareholders and others to nominate Directors.

The following Directors were elected to the Prosafe BoD, by the shareholders at the 2018 AGM:

Glen Rødland	chair, due for re-election in 2019
Roger Cornish	director, not seeking re-election in 2019
Svend Anton Maier	director, due for re-election in 2019
Kristian Johansen	director, due for re-election in 2019
Birgit Aagaard-Svendsen	director, due for re-election in 2019

For Prosafe’s AGM on 8 May 2019, the Committee makes the following recommendations:

#### 1. Election of members for the Board of Directors

In carrying out its evaluation for the forthcoming AGM on 8 May 2019, the Committee has focused on the value of preserving continuity. Mr. Roger Cornish has notified the Committee that he is not available for re-election. In order to bring competencies that are lost by not proposing to re-elect Mr. Cornish, the Committee proposes Mrs. Nina Udnes Tronstad for election to the BoD.

Mrs. Udnes Tronstad has more than 30 years of managerial experience from the oil and gas industry working for Equinor, Aker Solutions and Kvaerner. Currently, Mrs. Udnes Tronstad is the Chief Executive Officer at Sjøkerhatten, a privately-owned investment firm. Mrs. Udnes Tronstad has an extensive experience as an independent board director for private and

listed companies including, amongst others, Source Energy, GIEK, Ramboll Group, NTNU, Salmar, Trelleborg and Peab. Mrs. Udnes Tronstad earned her MSc in chemical engineering from the Norwegian University of Science and Technology (NTNU).

It is the opinion of the Committee that the proposed BoD reflects a variety of experience, knowledge and qualifications in order to address both near term needs of Prosafe, as well as preparing for the medium to long term future of the oil and gas market.

Further detailed background for each of the current Board Directors can be found at [www.prosafe.com](http://www.prosafe.com)

All of the proposed Board Directors are regarded as independent of the shareholders except for Mr. Glen Rødland who is a Senior Partner in HitecVision AS, the owner of North Sea Strategic Investments AS, a key shareholder in the Company.

Assuming the election of the proposed Board Directors, the Company will meet the requirement for both male and female directors of the Public Limited Companies Act Section 6-11 a (1).

Accordingly, the Committee recommends the re-election of Mr. Glen Rødland as Director and Chairman and Mrs. Birgit Aagaard- Svendsen, Mr. Svend Anton Maier and Mr. Kristian Johansen as Directors for a period of one year.

Assuming the re-election of Mr. Glen Rødland, Mrs. Birgit Aagaard-Svendsen, Mr. Svend Anton Maier and Mr. Kristian Johansen at the AGM to be held on 8 May 2019, the Board will then comprise the following individuals:

Glen Rødland	chair, due for re-election in 2020	(3*)
Nina Udnes Tronstad	director, due for re-election in 2020	(new)
Svend Anton Maier	director, due for re-election in 2020	(3*)
Kristian Johansen	director, due for re-election in 2020	(2*)
Birgit Aagaard-Svendsen	director, due for re-election in 2020	(2*)

(\* The number of years currently served as a member of the BoD)

## 2. Determination of remuneration of the Board of Directors

The current Board of Directors' remuneration was decided by the 2018 AGM.

	<b>Board Member Fee</b>	<b>Travel time allowance for each meeting</b>
All Members	EUR 65,000	EUR 1,500 for Board meetings outside his/her country of residence
Deputy Chair	EUR 80,000	As for other members
Chair	EUR 105,000	As for other members

Provided the AGM's approval of the Instructions to the Nomination Committee set out in Appendix 9 to the Calling Notice, the determination of the fees related to the Audit Committee and Compensation Committee will be transferred from the BoD to the Committee.

In addition, the Committee proposes to change remuneration currency for the remuneration of the Board Directors from Euro to US dollar, the Company's functional currency, from the 2019 AGM.

With effect from the forthcoming AGM on 8 May 2019, the Committee recommends that the total remuneration for the Board Directors is slightly reduced reflecting the overall time required for the Board Directors to serve as members of the board due to the change of board meeting venue from Cyprus to Norway. For the period from the 2019 AGM to the 2020 AGM the Committee proposes the following remuneration levels and principles:

	<b>Board member fee</b>	<b>Audit Committee fee</b>	<b>Compensation Committee fee</b>	<b>Travel time allowance for each meeting</b>
All members	USD 68,000	USD 10,000	USD 10,000	USD 1,500 for board meetings outside his/her country of residence
Deputy Chair	USD 84,000			As for other members
Chair	USD 110,000	Additional USD 10,000	Additional USD 5,000	As for other members

Further, any costs incurred by the Directors in relation to their participation as a member of Board or any of the committees, will be reimbursed by the Company. All fees and costs will be paid on a biannual basis in arrears.

The suggested remuneration reflects the:

- level of responsibility,
- amount of work and time consumed,
- Company's need to attract quality directors,
- level for similar duty in similar markets and companies,
- candidates' expectations.

### 3. Election of members for the Nomination Committee

The Nomination Committee has evaluated the current composition of the Committee. In the process, the Committee has considered the need for a Committee that has a good understanding of the general requirements of the Company's BoD, taking into account strategic, financial, managerial and industry issues.

The Committee recommends the re-election of Mrs. Annette Malm Justad and Mr. Thomas Raaschou for a period of one year. It is proposed that Mr. Raaschou is elected Chair of the Election Committee.

### 4. Determination of the Nomination Committee members' remuneration

The current Nomination Committee members' remuneration was decided by the 2018 AGM.

	<b>Member Fee</b>	<b>Remuneration for each meeting</b>
All Members	EUR 5,000	EUR 750
Chair	Additional EUR 1,500	As for other members

The Committee proposes to change remuneration currency for the remuneration of the Nomination Committee members from Euro to US dollar, the Company's functional currency, from the 2019 AGM.

The remuneration for the Nomination Committee members which is recommended, with effect from the forthcoming AGM remains unchanged and is as follows:

	<b>Member Fee</b>	<b>Remuneration for each meeting</b>
All Members	USD 5,800	USD 850
Chair	Additional USD 1,700	As for other members

Further, any costs incurred by the Nomination Committee members in relation to their participation as a member of Board or any of the committees, will be reimbursed by the Company. All fees and costs will be paid on an annual basis in arrears.

The Nomination Committee's recommendations are unanimous.

Oslo, 5 April 2019

Thomas Raaschou  
Chair



## **APPENDIX 9 – INSTRUCTIONS FOR THE NOMINATION COMMITTEE**

### **PROSAFE SE**

Adopted by the shareholders meeting of Prosafe SE (the “Company”) at the meeting of 8 May 2019.

#### **1 Mandate**

- 1.1 The Nomination Committee shall submit a recommendation to the annual shareholders’ meeting on:
- candidates for the election to the Board of Directors and on remuneration to the Board of Directors
  - candidates for election to the Nomination Committee and on the remuneration to the Nomination Committee
  - additional remuneration to sub-committees of the Board of Directors, hereunder the audit committee

#### **2 Composition, election and remuneration**

- 2.1 The Nomination Committee is composed and elected pursuant to the Company’s articles of association, article 8.
- 2.2 Members of the Nomination Committee are elected for a term of up to two years. The members may be removed or replaced by a resolution of the shareholders’ meeting at any time.
- 2.3 The annual shareholders’ meeting stipulates the remuneration to be paid to the Nomination Committee. The Nomination Committee’s expenses shall be covered by the Company.

#### **3 Procedures**

- 3.1 Meetings of the Nomination Committee shall be convened by the chairperson of the Nomination Committee. Each of the members of the Nomination Committee, as well as the chairperson of the board and the Company’s general manager jointly, has the right to demand that a meeting is convened. The chairperson of the Nomination Committee decides whether the meeting will take the form of a physical meeting, a telephone meeting or otherwise.
- 3.2 The Nomination Committee constitutes a quorum when two or more of the Nomination Committee’s members participate, and all members of the committee have been given the opportunity to participate. In the case of an equal vote, the chairperson shall have a casting vote.
- 3.3 Minutes shall be taken of the committee meetings. The minutes shall be signed by all participating members.
- 3.4 In its work, the Nomination Committee may contact shareholders, members of the board of directors, the management and external advisers. Shareholders shall be given the opportunity to propose board member candidates to the Nomination Committee. The Nomination Committee shall give considerable weight to the wishes of the shareholders when making its recommendations. The Nomination Committee shall also give weight to the proposed candidates’ experience, qualifications and their capacity to serve as officers of the Company in a satisfactory manner. Emphasis must also be given to ensuring independence of the board of directors in relation to the Company.
- 3.5 The Nomination Committee’s recommendations shall always satisfy the requirements relating to the composition of the board of directors laid down in applicable legislation and in the regulations. The

Nomination Committee shall take account of the recommendations relating to the composition of the board of directors that follow from the Norwegian code of practice on corporate governance and any other relevant recommendations relating to corporate governance.

- 3.6 Only candidates who have confirmed that they are willing to take on such office shall be recommended.
- 3.7 The Nomination Committee shall justify its recommendations and provide relevant information about the candidates. In the case of a proposal for re-election, the recommendation may refer to the information already provided in the annual report. Any dissenting votes shall be stated in the recommendation.
- 3.8 If the board of directors has prepared an evaluation of the board's work, the Nomination Committee shall examine such report and take its contents into consideration when making recommendations.

#### **4 Processing of the Nomination Committee's recommendations**

- 4.2 The Nomination Committee's recommendation to the annual shareholders' meeting relating to the election of members of the board of directors shall be available in time to be sent together with the notice of the shareholders' meeting, ensuring that the shareholders have an opportunity to submit their views on the recommendation to the Nomination Committee ahead of the meeting.
- 4.3 The chairperson of the Nomination Committee, or a person authorized by the chairperson, shall present to the annual shareholders' meeting the Nomination Committee's recommendations and reasons for its recommendations.

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