



**CORPORATE
GOVERNANCE
IN PROSAFE**

Prosafe's system of corporate governance forms the basis for a transparent business model with clear segregation of roles, responsibilities and accountabilities between shareholders, the Board of directors, executive management and the organisation.

NORWEGIAN CODE OF PRACTICE

Prosafe SE is a European public company (Societas Europaea) listed on the Oslo Stock Exchange. In respectively 2018 and 2019, Prosafe moved its tax domicile and legal domicile from Cyprus to Norway.

Corporate governance in the Company follows the principles contained in the Norwegian Code of Practice for Corporate Governance in its latest version of 17 October 2018 (the "**Corporate Governance Code**"). The Company is committed to ensuring that high standards of corporate governance are maintained and is in compliance with the Corporate Governance Code.

The corporate governance principles and practices as required by the Accounting Act Section 3-3b and the details of how Prosafe complies with the Norwegian Code of Practice for Corporate Governance are accounted for in this report on Corporate Governance.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Norwegian Code of Practice for Corporate Governance covers 15 topics which are designed to ensure that the division of roles between shareholders, the Board of directors and the company's Executive Management is regulated in a way that strengthens confidence among shareholders, employees, the capital market and other interested parties to ensure control and compliance, equal treatment of shareholders and maximum value creation over time.

The company has accordingly implemented sound corporate governance. The Directors' Report, which is published annually, specifically refers to a comprehensive Corporate Governance Report included in the annual report and published on Prosafe's website at <https://www.prosafe.com/investor-information/corporate-governance/>



2. THE BUSINESS

Prosafe's memorandum and articles of association together with its vision, strategy, goals and reporting provide the necessary information which enables shareholders to understand, monitor and anticipate the scope of its activities.

The objectives for which Prosafe is established are set out in Article 3 of its Articles of association which can be accessed on Prosafe's website.

Prosafe's vision is to be a leading and innovative provider of technology and services in selected niches of the global oil and gas industry.

Prosafe's strategy is to be the preferred provider of high end semi-submersible accommodation vessels globally.

In order to achieve the strategic ambition, Prosafe reviews and assesses risk in the following categories: strategic, commercial, operational, compliance and legal, financial and IT/Cyber security risks. These risk categories and the associated internal control measures are described in more detail at <https://www.prosafe.com/investor-information/corporate-governance/risk-management/>

The company's strategy, commercial outlook, operations, risks, financial status, business plans and forecasts as well as clearly defined focus areas are regularly reviewed by the Board on the basis of a defined annual wheel related to regular board meetings. These are supplemented by ongoing dialogue between the Board and management, monthly reporting and ad hoc / weekly reporting and updates of all significant matters.

Prosafe's Code of Conduct sets out its corporate values which are reflected in its ethical guidelines and the corporate social responsibilities which it undertakes. Prosafe is committed to transparency, respect for employee and human rights and has a zero tolerance policy towards bribery and corruption.

This is reflected in the various Prosafe policies and procedures, including Prosafe's Corporate Social Responsibility (CSR) Policy. Prosafe's Code of Conduct and CSR Policy can be accessed on Prosafe's website at <https://www.prosafe.com/about/corporate-responsibility/code-of-conduct/> and <https://www.prosafe.com/about/corporate-responsibility/>

3. EQUITY AND DIVIDENDS

Prosafe's consolidated shareholder's equity as at 31 December 2019 amounted to USD 2.4 million (2018: USD 400.2 million), equivalent to 0.2 per cent (23 per cent) of the Group's total assets.

It is the ambition to regain sound financial position with the flexibility to support and further develop its strategy. As such, the Company is in dialogue with its lenders to seek a long-term financial solution.

In light of the reduction in industry activity levels and challenging market conditions, no dividend has been paid since August 2015. In 2018, the company and the lenders agreed that the company

will not declare any dividends, until deferred bank instalments have been prepaid or cancelled and a 12-month financial forecast has been provided which confirms compliance with the financial covenants. Given the financial situation of the company and the ongoing process with the lenders, this situation is extended until further.

No equity buy-backs have been declared or issued during 2019.

The following part conversion of bonds (with reference to the date of the related announcements) in respect of the equity of the company occurred during 2019 based on conversion notices received:

Date	Convertible bonds ISIN	Nominal value (NOK)	No. of new ordinary shares	Conversion price per share	Remaining outstanding principles (NOK)	No. of outstanding shares	Nominal value (Euro)
15 May 2019	NO 0010771025	2,000,000	80,000	25	50,706,341	81,864,212	0.1

Prosafe has currently two outstanding 5 year convertible bonds (zero coupon), which were issued in 2016. ISIN NO 0010771025 has a conversion price NOK 25 and the remaining outstanding principal of the convertible bonds under this ISIN is NOK 50,706,341. ISIN NO 0010781008 has a conversion price of NOK 30 and the remaining outstanding principal of the convertible bonds under this ISIN is NOK 122,836,000.

Outstanding warrants is 3,435,982, each of which gives right to subscribe for one new share in the company at a subscription price of NOK 21.37. The warrants relate to a potential delivery of Safe Nova or Safe Vega, where the lenders have elected either margin increase or warrants in connection with the delivery of the mentioned newbuilds.

As at 31 December 2019, the authorised share capital of Prosafe is EUR 9,412,298.4 divided into 91,422,984 shares of EUR 0.10. The issued share capital increased from 81,784,212 ordinary shares of EUR 0.10 each to 81,864,212 ordinary shares of EUR 0.10 each, following part conversion of bonds.

Mandates and authorities for different purposes such as increase of share capital or share buy-backs are considered separately at each annual general meeting ("AGM") and are generally limited in time and valid to the date of the next AGM. Authority for issuance of shares relating to conversions of convertible bonds are valid for a longer period so as to ensure, to the extent permissible by law, that they are in place for the entire loan period. No such mandates were proposed at the 2019 AGM.



4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

Prosafe has one class of shares in issue and all shares are equal in all respects. Each share carries one vote. The nominal value of each share is EUR 0.10. The company treats all shareholders in a non-discriminatory manner ensuring that all relevant information and the proposed resolutions are distributed in the call for the general meeting to allow the shareholders adequate time to prepare for the meeting.

Except as referred to in this report, no transactions took place in 2019 between the company and its shareholders, directors, senior officers or the close associates of any of these. There are no Group companies with minority shareholders.

TRANSACTIONS IN TREASURY SHARES

There have been no share capital increases in the Company in recent years except for shares issued in connection with the Company's convertible bonds. Should the Board wish to propose that the AGM depart from the pre-emptive right of existing shareholders relating to any capital increase, such a proposal will be justified by the common interest of the Company and the shareholders, and the reasons for the proposal will be presented in the notice of the AGM as well as publicly disclosed in a separate stock exchange announcement.

There were no material transactions with related parties in 2019, but any transaction with close associates is required to be conducted on market terms. Information about transactions with related parties is also disclosed in note 22 to the Consolidated Financial Statements.

Prosafe has implemented rules and procedures to ensure that directors and senior officers report to the Board if they themselves or their closely related parties have a significant interest, directly or indirectly, in any agreement concluded by the company. The Board must approve any agreement between the company and a member of the Board or the Chief Executive Officer. The Board must also approve any agreement between the company and a third party in which a member of the Board or the chief executive officer may have a special interest. Each member of the Board shall also continually assess whether there are circumstances which could undermine the general confidence in a Board member's independence.

Potential conflicts of interest have been declared by Glen Ole Rødland (current Chairman of the Board) through his indirect ownership in North Sea Strategic Investments AS, a key shareholder in the company. In the event of any potential conflict of interest, appropriate action has been taken to protect against such potential conflicts which includes e.g. the individual not participating in the relevant part of the Board meeting and/or abstaining from voting on the relevant matter.

5. SHARES AND NEGOTIABILITY

Prosafe's articles of association place no restrictions on negotiability.

6. GENERAL MEETINGS

The general meeting secures the participation of shareholders in the company's highest decision-making meeting. All shareholders are entitled to attend, speak and vote at general meetings. The company's Articles of Association are adopted by the general meeting. Shareholders holding at least 5 per cent of the issued and voting shares are entitled to submit matters for inclusion on the agenda of an AGM.

The AGM must be held by 30 June every year. In 2020, it is scheduled to take place on 7 May. Written notice of an AGM and a meeting calling for adoption of a special resolution is sent out not later than twenty-one days before the scheduled meeting unless special notice is required by law. Written notice of a meeting other than an AGM or a meeting calling for adoption of a special resolution is sent out not later than fourteen clear days before the meeting. The resolutions and supporting information is sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting. Both these and any recommendations of the Nomination Committee enabling shareholders to take an informed position on all matters to be discussed are made available within the relevant timeframe on the company's website.

Shareholders wishing to attend the general meeting must notify the company of this intention before the deadline stipulated in the notice. As the Board wishes to facilitate the attendance of as many shareholders as possible, it aims at setting the deadline for notification of attendance as close as possible to the meeting date.

Shareholders who cannot attend the meeting in person are encouraged to appoint a proxy. Prosafe prepares proxy forms and conducts the voting arrangements at the meeting in a form and manner, to the extent possible, which allows the shareholder to vote separately on each matter to be considered by the meeting and for each of the candidates nominated for election to the Board. Prosafe also allows the possibility for shareholders who cannot attend the meeting in person to cast votes electronically by correspondence (without appointing a proxy). The relevant forms for this are included in the notice to the general meeting.

Traditionally, at least the Chairman (or in exceptional circumstances, another member of the Board), the auditor and at least the Board representative to the Nomination Committee are present at annual general meetings. Prosafe wishes to facilitate a dialogue with shareholders at the general meeting, and therefore encourages all Board members to attend.

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.



7. NOMINATION COMMITTEE

Pursuant to article 8 of its articles of association, Prosafe has a Nomination Committee comprising 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 members of the nomination committee, including the chairperson, for a term of up to two years.

In addition, the Board appoints one of its members as a representative to the Nomination Committee. The Board representative participates in the meetings and discussions, but may not vote on any matter. The members are elected by the general meeting for a period of two years unless otherwise agreed by the general meeting. At the 2019 AGM, the members of the Nomination Committee were appointed for a period of one year. The instructions for the Nomination Committee were approved at the AGM that was held on 8 May 2019.

The Nomination Committee submits its recommendations for membership of the Nomination Committee and the Board to shareholders, together with the notice of general meeting and recommends the fees to be paid to directors and members of the Nomination Committee.

The shareholders at the AGM also elect the Chairman of the Nomination Committee, approve the Committee's remuneration and may decide to approve any applicable guidelines.

Relevant deadlines for submitting proposals for candidates to be appointed to the Board or the election Committee are published on the company's website in due time before the AGM takes place

The Nomination Committee held six meetings during 2019. Average meeting attendance was 100 per cent.

Name	Role	Date first appointed	Date due for re-election	Meeting attendance (%)
Thomas Raaschou	Chair	May 2011	May 2020	100
Annette Malm Justad	Member	May 2016	May 2020	100

The Chair and other members of the Committee are independent of the company's Board.

Glen Ole Rødland was appointed Board representative to the Nomination Committee at a Board meeting held on 8 February 2017.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The Board currently consists of five directors. The directors have been appointed so as to ensure that a broad base of appropriate skills, expertise and experience is reflected on the Board. Working constructively together with its Committees and the company's administration, the Board oversees the strategic direction, targets, reporting, management and control of the company.

Based on the proposal of the Nomination Committee, the General Meeting elects the Directors and the Chairman, and decides on their remuneration. Currently, the directors are appointed for one year and all directors are due for re-election in 2020.

The Board held 16 Board meetings in 2019. Average meeting attendance was 88.8 per cent.

Name	Role	Date first appointed	Date due for re-election/ date of resignation	Meeting attendance (%)
Glen Ole Rødland	Chair	March 2016	May 2020	93.8
Roger Cornish	Director	May 2009	Resigned May 2019	66.7
Svend Anton Maier	Director	November 2016	May 2020	93.8
Kristian Johansen	Director	March 2017	May 2020	81.3
Birgit Aagaard-Svendsen	Director	March 2017	May 2020	93.8
Nina Udnes Tronstad	Director	May 2019	May 2020	84.6

At each general meeting at which resignations and appointments occur, the Nomination Committee will provide its recommendations for Board composition to shareholders. All newly elected directors are provided with a thorough briefing on the company's history, business, status and challenges.

The Board members are independent of the company's executive personnel and shareholders. Directors are encouraged to own shares in the company. Details of share ownership can be found on each director's profile on the Prosafe website.

The Board has implemented various policies and procedures to avoid conflicts of interest between directors, senior officers, their close associates and external third parties with whom the company collaborates.

The Board also seeks to ensure that directors possess broad based and in-depth expertise and skill-sets relevant to the company's business and the different market segments served internationally.

Information about each Board director is available on Prosafe's website, including whether they hold other directorships, their age, skills and experience, and when they are due for re-election.

The requirement to establish a corporate assembly does not apply to the company as it has less than 200 employees in Norway.

9. THE WORK OF THE BOARD

The Board has ultimate responsibility for managing the company and for monitoring day-to-day management and the company's business activities. This means that the Board is responsible for organisation, strategy, planning, reporting, and establishing of control systems. Further the Board is responsible for ensuring that Prosafe operates in compliance with laws and regulations, with Prosafe's Code of Conduct, as well as in accordance with the shareholders' expectations of good corporate governance. The Board emphasises the safeguarding of the interests of all shareholders, but also the interests of Prosafe's other stakeholders.

The Board has adopted a generic annual plan for its work which is revised with regular intervals. Recurrent items on the Board's annual plan are health, safety and quality issues, the company's operations, corporate strategy issues, business planning, forecasting and contingencies, approval of annual and quarterly results, monthly performance reports, annual reporting, management compensation issues, leadership assessment and succession planning, people and organisational strategy, special project reviews, risk evaluation, review of the company's governing documentation, annual Board evaluation and reviews relating to special topics. At the end of all Board meetings, the Board has a closed session with only Board members attending the discussions and evaluating the meeting.

The Board is responsible for making decisions related to inter alia company values and standards, strategy and objectives, overall budgets, corporate and capital structure, financial reporting and internal controls, investments and material transactions.



The Board has drawn up separate instructions for management and a job description and annual targets for the chief executive officer (CEO) and deputy executive officer & chief financial officer (DCEO&CFO) specifying their respective duties, authority and responsibilities in relation to the business. The CEO has a particular responsibility for ensuring that the Board receives precise, relevant and timely information enabling it to discharge its duties.

Scheduled Board meetings are normally held six to eight times a year, but the work schedule is flexible and otherwise adaptable so as to take into account relevant commercial, operational and strategic circumstances. Internal segregation of responsibilities and duties between the Board and management is established in a number of various corporate documents including corporate policies and procedures, approval matrices and delegated authorities, Board approvals for budgets and specific investments, and the grant of specific powers of attorney in respect of particular transactions.

The Chairman has a particular responsibility for ensuring that the Board's work is well organised and efficiently conducted. The Chairman of the Board encourages an open and constructive debate within the Board and with management.

AUDIT COMMITTEE

The Board established an Audit Committee in 2010. The Audit Committee operates on the basis of a generic annual plan and undertakes an examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal controls, monitors the financial reporting process and prepares the Board's follow up on such issues. The Audit Committee is tasked from time to time with the carrying out of special investigations designed to assess the overall risk management system within the Group.

The Audit Committee is a sub-committee of the Board of Directors, and its objective is to act as a preparatory body in connection with the Board's supervisory roles with respect to financial reporting and the effectiveness of the company's internal control system. It also attends to other tasks assigned to it in accordance with the instructions for the audit Committee adopted by the Board of directors.

The Audit Committee meets at least four times a year and holds closed sessions with the appointed auditor on at least an annual basis without the company's management being present. The appointed auditor participates at all Audit Committee meetings.

Proper internal control is ensured through various forms of segregation of duties, guidelines and approval procedures. The company's internal financial transactions are subject to special control systems and routines. Financial risk is managed by the Group's finance function which during 2019 has provided regular financial and liquidity forecasts and updates to the Board as well as comprehensive forecasts at each Board meeting.

At present, the Audit Committee comprises two members. The Audit Committee held six meetings in 2019. Average meeting attendance was 100 per cent.

Name	Role	Date first time appointed	Date due for re-election	Meeting attendance (%)
Birgit Aagaard-Svendsen	Chair	May 2017	May 2020	100
Kristian Johansen	Member	Nov 2017	May 2020	100

COMPENSATION COMMITTEE

A Compensation Committee was established in 2006 to prepare proposals related to the remuneration of senior officers.

At present, the Compensation Committee comprises of three members. The Compensation Committee held four meetings in 2019. Average meeting attendance was 91.7 per cent.

Name	Role	Date first time appointed	Date due for re-election	Meeting attendance (%)
Nina Udnes Tronstad	Chair*	May 2019	May 2020	100
Roger Cornish	Chair	June 2010	Resigned May 2019	100
Glen O. Rødland	Member	May 2016	May 2020	100
Svend Anton Maier	Member	Feb 2017	May 2020	75

* Appointed as Chair in May 2019

SAFETY, SUSTAINABILITY AND ETHICS COMMITTEE

Prosafe has established a Safety, Sustainability and Ethics Committee which maintains and further develops Prosafe's Code of Conduct and policies, which include guidance on illegal and unethical issues. Concerns about possible breaches of the code or any policy can be reported to the Committee by ordinary mail (addressed to the Ethics Committee, Prosafe AS, P.O. Box 39, N-4068 Stavanger, Norway) or e-mail (conduct@prosafe.com) on a confidential basis. The Committee ensures that alleged breaches are investigated thoroughly and fairly and reported as appropriate to the Board.

THE BOARD OF DIRECTORS' EVALUATION OF ITS OWN WORK

The Board has traditionally undertaken an annual self-evaluation of its own performance and expertise, working methods, composition and the manner in which the directors' function, both individually and collectively, in relation to the goals set for their work. In this context, the Board also assesses itself in relation to corporate governance. The assessment is made available to the Nomination Committee as a tool for continuous improvement.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for ensuring that sound internal control and risk management systems that are appropriate for the extent and nature of the Company's activities are in place.

The Audit Committee assesses the integrity of Prosafe's accounts and follows up on behalf of the Board on issues related to financial review and external audit of Prosafe's accounts.

Furthermore, the Board and the Audit Committee supervise and verify that effective internal control systems are in place, including systems for risk management and financial reporting, and satisfactory routines for following up adherence to the company's ethical guidelines.

Prosafe focuses strongly on regular and relevant management reporting of both operational and financial matters, both in order to ensure adequate information for decision making and to quickly

respond to changing conditions. Evaluation and approval procedures for major capital expenditure and significant treasury transactions are established.

Prosafe's conduct and development of its business are mainly subject to the following categories of risk: strategic, commercial, operational, compliance and legal, financial, and IT/Cyber security risk. These risks and associated sensitivities as well as internal control measures are described in more detail at <https://www.prosafe.com/investor-information/corporate-governance/risk-management/> and in a separate Risk Management Policy.

In addition to the ongoing reviews by Executive Management, continuous reviews are also carried out by the Board in respect of risk management and internal control arrangements. The risk management methodology applied by management and the Board are in accordance with industry and market practices generally and as implemented in Prosafe over several years. The risk and opportunity register forms the basis for the action plan. All key risks and opportunities are appropriately discussed and followed up by management and the Board in the form of strategies and mitigating actions. Specifically with regards to the internal controls related to the accounting process, this is mitigated by a combination of organisation and segregation of duties, procedures and authority matrix, reporting and analytical controls and continuous reporting and reviews with the Audit Committee.

The Board of Directors has systems in place to assess that the CEO exercises appropriate and effective management. Further, the Board and the Audit Committee take steps to ensure that the Company's internal control functions are working as intended and that necessary measures are taken to reduce extraordinary risk exposure. The Company's Audit Committee oversees the Company's routines for financial risk management and internal control which includes documentation for internal control and financial reporting procedures, hereunder verifies that effective control mechanisms are in place. Neither Prosafe's Executive Management nor its Audit Committee reported any material weaknesses in the related internal control systems at 31 December 2019.

11. REMUNERATION OF THE BOARD

The AGM determines directors' fees based on recommendation from the Nomination Committee. Remuneration of the Board reflects its responsibilities, expertise, commitment of time, and the complexity of Prosafe's activities. Directors' fees are not related to the company's performance and none of the current Board directors have a pension scheme or agreement concerning pay after termination of their office nor have they received any share options.

	Chair	Deputy Chair	Directors
Board	USD 110,000	USD 84,000*	USD 68,000

**There is currently no Deputy Chair on Prosafe's Board of Directors*

In addition, a fee of USD 1,500 is payable for directors, Board Committee members and Board representatives to the Nomination Committee attending Board or Committee meetings held away from their home country.

Information relating to the total remuneration for the Board for 2019 is set out in note 6 to the consolidated accounts.

The fees payable to the members of the Board Committees are as follows:

Committee	Chair	Members and Board representatives	Other
Nomination Committee	USD 7,500	USD 5,000	Additional USD 850 per meeting
Compensation Committee	USD 15,000	USD 10,000	N/A
Audit Committee	USD 20,000	USD 10,000	N/A

No director or company with which any director is associated (except as disclosed below) takes on specific assignments for the company in addition to their appointment as a director.

12. REMUNERATION OF EXECUTIVE PERSONNEL

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.

For further details relating to remuneration paid to Executive Management, see note 6 to the consolidated accounts and the Declaration of Executive Remuneration as presented by the Compensation Committee and attached to the notice for the AGM in May 2020.



13. INFORMATION AND COMMUNICATION

Prosafe's calendar for interim financial reporting and the General Meeting for shareholders can be found on Prosafe's website at <https://www.prosafe.com/investor-information/financial-calendar/>

Prosafe presents preliminary annual accounts in early February every year. Complete accounts, the directors' report and annual report are provided to shareholders and other stakeholders. In addition interim accounts are provided on a quarterly basis. Open investor presentations are held in connection with the reporting of annual and interim results. These presentations are also broadcasted as webcasts. The chief executive officer and/or the DCEO&CFO use these occasions to review the results and comment on operations, markets, prospects and outlook. The presentation material is available on Prosafe's website.

An ongoing dialogue is otherwise maintained with analysts and investors, who are also invited to attend presentations. In order to ensure equal treatment of shareholders, Prosafe aims to provide clear, up-to-date and timely financial and other information about the company's operations to the securities market. The company places the greatest emphasis on treating all shareholders and analysts equally.

All information distributed to the company's shareholders is published on Prosafe's website at the same time as it is made available to the shareholders.

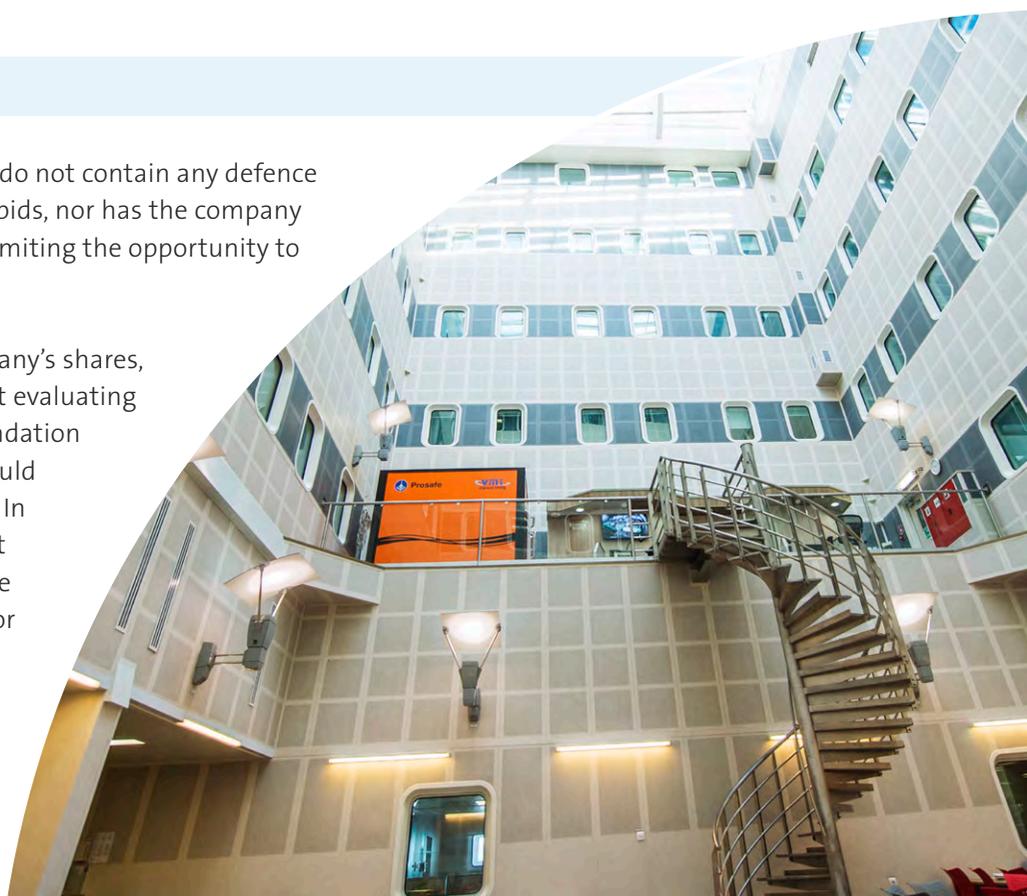
Guidelines as to who is entitled to speak on behalf of the company in respect of certain matters, as well as a contingency plan for managing information so as to respond to certain events are contained in the various corporate procedures.

Information available to shareholders is only available in English. As an international company with a broad shareholder base, English is regarded as the most applicable common language.

14. TAKE-OVERS

Prosafe's articles of association do not contain any defence mechanisms against take-over bids, nor has the company implemented other measures limiting the opportunity to acquire shares in the company.

If an offer is made for the company's shares, the Board will issue a statement evaluating the offer and make a recommendation as to whether shareholders should or should not accept such offer. In such a situation, Prosafe will act professionally and in accordance with the applicable principles for good corporate governance.



15. AUDITOR

The Company's appointed registered public accounting firm is independent in relation to Prosafe and is elected by the general meeting of shareholders. The appointed auditor's fee must be approved by the general meeting of shareholders.

KPMG has been the appointed auditor of the company since May 2015. The auditor always attends Board meetings where the annual accounts are considered. In 2019, auditors' fees for the Group amounted to USD 349,000 and consultancy fees paid to KPMG amounted to USD 26,000. These fees relate to accounting and tax-related issues.

The Audit Committee is responsible for ensuring that the company is subject to independent and effective external and internal controls. The appointed auditor participates in the Audit Committee meetings and presents a review of the company's internal control environment and assessment of the key judgements/accounting issues at least once a year. In addition, a meeting is held between the appointed auditor and the Board at least once a year (which is not attended by the chief executive officer or any other member of management). Use of the appointed auditor by the company for services other than audit is limited, however, guidelines have been established to govern such use.

14 April 2020

The Board of Directors of Prosafe SE



Glen Ole Rødland

Non-executive Chairman



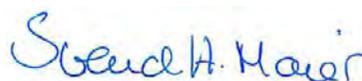
Birgit Aagaard-Svendsen

Non-executive Director



Kristian K. Johansen

Non-executive Director



Svend A. Maier

Non-executive Director



Nina Udnes Tronstad

Non-executive Director



Jesper K. Andresen

Chief Executive Officer