

Paris, 23 May 2017

Speech of Mr. Jacques de Chateauvieux, Chairman & CEO of BOURBON, during the Annual Shareholders Meeting

Ladies and Gentlemen, Dear shareholders,

During the last twelve years, the women and men of BOURBON have implemented a bold plan aimed at leadership in offshore oil and gas marine services.

They have innovated with vessels intended for four different segments: deep offshore, shallow water offshore, subsea and rapid passenger transport. They have made them built and deployed them around the world, establishing true partnerships with local actors... and today, representing 80 different nationalities, they are all united under the BOURBON flag of excellence and nurture our values of professionalism, responsibility, solidarity and enthusiasm.

They have certainly not been lacking in enthusiasm, which could be defined as an intense emotion that pushes towards joyful action. And success has rewarded their boldness, steering BOURBON to a recognized position of leadership.

- Leadership in safety and in the reliability of the services provided to clients,
- leadership by the size of our fleet of over 500 vessels, but especially through the capacity of our vessels to reduce the total costs for clients,
- leadership in the training of crews and the attention given to sustainable development in the countries where we operate.

In your name, I want to pay tribute to all these women and men around the world who comprise BOURBON, who have made it grow and who have nurtured the values attached to its name on a daily basis.

You will understand their legitimate frustration at seeing the expected fruits of their work challenged by a brutally degraded market caused by the decline in the price of oil and the slack activity that has resulted.

I have a special thought today for those who have not been able to keep their job within BOURBON due to the lay-up of vessels and the sharp reduction in activity. They merit a full part of our gratitude. May they retain this sense of belonging, because they will be the first to be offered the opportunities that will reappear with the resumption of activity.

If it is in a storm that we can assess the quality of a crew, then let me share with you what we are today and what we want to become tomorrow, following the 4 major lines of action that will guide us in the years to come.

They are the 4 "Smarts" that will lead our necessary transformation, which we undertake with the same spirit of conquest that has marked the history of BOURBON, from the sugarcane fields to the oil fields.

- *Smart shipping* in the deployment of vessels.
- *Smart contracting* in the evolution of the services provided to clients.
- *Smart Business model* that will define the role of BOURBON in the value chain for client satisfaction.
- *Smart ownership* for what we want to bring the company's stakeholders, and thus more particularly to you, our shareholders.

SMART SHIPPING

Today,

the vessel is managed and maintained by a full crew on board, under the operational experience of the captain, the know-how of the chief engineer, who listens to machines that cannot communicate and ensures their operation and maintenance, and thanks to a united crew that is numerous enough to work alternately 24/24 and in which the behavior of each individual determines the performance of the group. The indispensable administrative tasks are performed aboard and transmitted ashore to ensure compliance and control. The onshore teams are there to provide support and intervene when the vessel is in port or laid up.

Tomorrow,

the vessel will be connected, digitalization will enable us to monitor all operations on a digital twin. It will make the machines talk, make comprehensive and systematic data available, provide decision support, but will also assist remote piloting through automation and artificial intelligence. The skills will be shared between offshore and onshore, where a single operational center will intervene continuously for the benefit of a fleet of vessels in a given region.

Thus tomorrow,

operations will be more reliable, costs strongly reduced, pooled skills will be seamlessly implemented. *Smart shipping* will influence the strategies of regional market share, enhance the *smart fleets*, promote the development of a broad community of users and the integration of best practices from equipment manufacturers through to internal client services.

SMART CONTRACTING

Today,

vessels likely to provide the service expected by our clients are the subject of ongoing or short-term contracts, they respond to an obligation of means, they are paid in dollars per day. Their number and their use is entirely decided by the clients who pay all other costs, both ashore and at sea, and are the only judges of the efficiency with which they use the available means. The information reflecting the actual use and the performance achieved come from data that are often incomplete and not always exhaustively analyzed and centralized.

Tomorrow,

the services to be provided will be jointly predefined with the clients. They will be paid by ton, by volume, by passenger seat, or will be the subject of a package that will include the study of the solution, the engineering of the project, the mobilization of surface or submarine means, and will ensure that the planned task is completed in the allotted time and following defined performance criteria. The costs will become variable for the clients, the means will be pooled for the supplier. Cooperation will be the rule, partnerships with third parties who master the know-how or local facilities will become the standard. The control of the performance and the lines for improvement will come from applications accessible to all.

Thus tomorrow,

smart contracting will have defined a new contractual framework, a new way to assess risk, a better recognition of the services provided, favoring sustainable business relations based on the additional profits obtained by the different stakeholders.

SMART BUSINESS MODEL

Today,

the operators in our professions choose the design of their vessel, own them, and get them financed. They have crews that are engaged for the long term and to whom they provide training. They ensure their commercial development, enter into contracts with clients, provide the necessary guarantees, are paid by them, provide their data in the area of security, order compliance audits. They ensure the maintenance of their vessels, purchase spare parts, book shipyards for planned maintenance, buy insurance... in a word, in most cases each does everything.

Tomorrow,

the value chain of the different functions that enable the service will be deconstructed, and then, under the impact of the digitalization and specializations that this will create, new bases will be built. New, essential players will appear at each stage of the profession, offering more for less, and appropriating value share for themselves for the key functions they will master. The role of existing actors will be disrupted.

Functions will become companies, suppliers will become partners, start-ups will become the central part of our skills.

Thus tomorrow,

BOURBON intends to preserve its relationship with the client, the definition of the offers, the guarantee of the standards and processes attached to its brand, the risk taking specific to new contractual practices and the coordination of partners called in to intervene in the various aspects of the service provided. BOURBON will thus remain invested in innovation, in the design of the vessels that it will order and for which it will ensure the financing. On the strength of its experience as leader and its developments in *smart shipping*, BOURBON will offer on demand services in all sectors of operations management, in the form of standardized application and consultancy, to its own affiliates when they are still necessary, to those that it will franchise, and to the third parties who decide to use them.

BOURBON tomorrow could mean higher turnover, less capital employed, profitability corresponding to the fulfilled promises of its brand... for the benefit of clients... and all associated stakeholders.

SMART OWNERSHIP

Today,

those who comprise BOURBON are organized following what was necessary to order, take delivery and find customers throughout the world at the pace of one vessel every two weeks.... over a period of 10 years.

Such growth, hitherto unknown in the profession, heavily determined the structure of the organization, centralized procedures and decisions, concentrated the financial means on a single profession, and linked the future and the profitability of the company to a single sector of activity: offshore services.

Our staff has lived a great adventure, our partners have experienced an unhoped-for opportunity for growth, and our shareholders have received growing dividends in an environment where share prices are volatile... until today.

Tomorrow,

we aim to liberate initiatives, empower managers, radically implement subsidiarity... while ensuring that the attributes of the BOURBON brand are guaranteed and that the promises to clients are strictly respected.

A new organization will result at the end of what we call *Operation Tanguy* – those who have seen the film will grasp the meaning of the name.

The transformation that will be implemented will see new talents, in new sectors, and strengthen the capacities of BOURBON at the service of its new business model.

Thus tomorrow,

BOURBON will distinguish between what must be controlled, what it is possible to retain, what it must be associated with or sub-contracted.

For the shareholders, the objective will be to ensure a steady progression of the absolute value of the dividend while seeking, without relying on the stock market as the only possible way, a valorization of the share that is close to its economic value.

Tomorrow, the return to a portfolio of diversified activity will not only be an objective but also a guarantee for our shareholders and our teams.

Ladies and Gentlemen, Dear shareholders,

The transformation to which we are invited is neither an option nor an end in itself. It is a mean at the service of a vision that must lead us toward new, sustainable and profitable leadership.

It is the result of good intelligence of the new situation and a willingness to challenge our mindset to avoid marginalization in a future that could be decided by others.

But transformation is above all a question of heart, it is the desire to achieve great things together, with collective humility that makes us look the truth in the face and an individual commitment at the service of all.

Thus, leadership may not only be a question of market share, financial performance and operational excellence. It may be above all an ideal of life shared by everyone at BOURBON for their personal development and the success of all.

Jacques de Chateauvieux
Chairman and Chief Executive Officer