

## 1. REPORT EXPLAINING THE BOARD'S RESOLUTIONS PROPOSED TO THE COMBINED GENERAL MEETING OF MAY 23, 2017

### 1.1 APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

The shareholders are asked to approve the Company financial statements for the year ended December 31, 2016, together with the consolidated financial statements for the year ended on that same date.

### 1.2 APPROPRIATION OF INCOME

The Board moves that the meeting appropriate the net income for the period as follows:

<b>Origin</b>	
Net income for the period	€28,371,223.67
Retained earnings	€127,384,196.06
<b>Appropriation</b>	
Legal reserve	€0.00
Other reserves	€0.00
Dividends	€19,085,650.75
Retained earnings	€136,669,768.98

This appropriation would give rise to distribution of a gross dividend of €0.25 per share. The ex-coupon date would be June 8, 2017 and the dividend would be payable on July 17, 2017.

In the event of any change in the number of shares giving entitlement to dividend, with regard to the 76,342,603 shares forming the authorized capital as at March 13, 2017, the overall amount of the dividend will be adjusted accordingly and the sum destined to be carried forward will be calculated on the basis of the dividend actually paid.

**It is proposed to the meeting that there be an option to receive payment of the dividend in cash or in shares for the entire dividend, net of any mandatory withholding relating to the shares held.**

The price of a share delivered in payment of the dividend will be equal to 90% of the average share price over the 20 trading sessions preceding the date of this General Meeting, less the net amount of the dividend, if necessary rounded to two decimal places to the nearest higher euro cent, in accordance with Article L. 232-19 of the French Commercial Code.

If the amount of the net dividend with respect to which a shareholder has exercised the option does not correspond to whole number of shares, the shareholder will obtain the number of shares immediately below plus the balance in cash on the option exercise date.

Shareholders wishing to opt for payment of the dividend in shares will have from June 8, 2017 and June 30, 2017 (inclusive) to make the request to the financial intermediaries authorized to pay the dividend.

As a result, any shareholder who has not opted for the payment of the dividend in shares at the end of that period will receive the payment in cash.

For shareholders who opt for payment in cash, or for those who shall not have made their request for payment in shares during the period of time referred to in the previous paragraph, the amounts due to them will be paid on July 17, 2017. Delivery of the new shares, for shareholders who shall have opted for payment in shares, will take place on the same day as the payment of the dividend in cash, or July 17, 2017. The shares issued will carry dividend rights from their date of issuance.

### 1.3 RELATED PARTY AGREEMENTS

No new related party agreements were submitted to the Board of Directors during the 2016 fiscal year. The meeting is asked to so note.

In accordance with the law, the Board of Directors conducted the annual review of agreements entered into and authorized in previous years the performance of which continued during the year ended December 31, 2016. These agreements are presented to the General Meeting in the related Special Statutory Auditors' report.

The Special Statutory Auditors' report on related party agreements and commitments is included in the 2016 Registration Document and is available on the Company's website, <http://www.bourbonoffshore.com>.

#### 1.4 TERMS OF OFFICE OF THE STATUTORY AUDITORS

Pursuant to the recommendation of the Audit Committee, the Board of Directors proposes to the meeting:

The reappointment of SAS EurAAudit CRC as Principal Statutory Auditor for a term of six fiscal years, or until the close of the Annual Ordinary General Meeting called to vote on the financial statements for the fiscal year ending December 31, 2022, to take place in 2023.

EurAAudit CRC has stated that it accepts this appointment.

The non-reappointment and the non-replacement of Mr. Jean-Marie Cadren as Alternate Statutory Auditor, since SAS EurAAudit CRC, the Principal Statutory Auditor, is neither an individual nor a unipersonal company, and subject to the adoption of the twenty-fifth resolution proposed to the Extraordinary General Meeting, intended to harmonize Article 21 of the bylaws relating to the Statutory Auditors with the new provisions of Law No. 2016-1691 of December 9, 2016, known as the Sapin II Law.

#### 1.5 RENEWAL OF DIRECTORS' TERMS OF OFFICE

As the terms of Messrs. Guillaume d'Armand de Chateauvieux, Baudouin Monnoyeur, and Bernhard Schmidt as members of the Board of Directors expire at the close of this meeting, the Board, having received the opinion of the Nominations, Compensation, and Governance Committee, proposes the following to you:

- ▶ the reappointment of Mr. Guillaume d'Armand de Chateauvieux as a Director;
- ▶ the reappointment of Mr. Baudouin Monnoyeur as a Director;

for a period of three years, or until the close of the meeting held in 2020 called to vote on the financial statements for the elapsed fiscal year.

In addition, you are asked to approve the following:

- ▶ the ratification of Ms. Adeline Challon-Kemoun's temporary appointment by the Board of Directors on March 13, 2017 to replace Ms. Astrid de Lancrau de Bréon, who stepped down, for the remainder of the latter's term, or until the close of the General Meeting held in 2017 called to vote on the financial statements for the elapsed fiscal year;
- ▶ the reappointment of Ms. Adeline Challon-Kemoun for a term of 3 years, or until the close of the General Meeting held in 2020 called to vote on the financial statements for the elapsed fiscal year;

- ▶ the appointment of Ms. Elisabeth Van Damme to replace Mr. Bernhard Schmidt as Director for a period of three years, or until the close of the General Meeting held in 2020 called to vote on the financial statements for the elapsed fiscal year.

Biographical information about these candidates is included in the 2016 Registration Document on pages 33 and 34.

The Board of Directors, having received the opinion of the Nominations, Compensation, and Governance Committee, decided at its meeting on March 13, 2017 that Ms. Agnès Pannier-Runacher and Ms Adeline Challon-Kemoun., Messrs. Philippe Salle, Bernhard Schmidt and Mahmud B. Tukur, could be considered independent under the independence criteria of the AFEP-MEDEF Code of Corporate Governance for listed companies, which the French Commercial Code as a reference with respect to corporate governance.

#### 1.6 APPROVAL OF THE PRINCIPLES AND CRITERIA FOR DETERMINING, ALLOCATING AND GRANTING THE ELEMENTS OF THE COMPENSATION OF THE EXECUTIVE DIRECTORS

Pursuant to Article L. 225-37-2 of the French Commercial *Code de commerce*, the Board proposes that you review the report prepared on Executive Directors compensation (Chairman and Chief Executive Officer and Executive Vice Presidents) and that you approve the principles and criteria for determining, allocating, and granting the fixed, variable, and exceptional compensation and the benefits of all kinds that may be granted to the Executive Directors for their services as described in such report, included in section 3.5 on page 43 of the Company's 2016 Registration Document.

#### 1.7 SAY ON PAY

In compliance with the recommendations of Article 24.3 of the AFEP-MEDEF Corporate Governance Code for listed companies (as amended in November 2016), adopted as the Company's code of reference, we submit for your mandatory approval the compensation packages owing or awarded, for the year ended December 31, 2016, to Mr. Jacques d'Armand de Chateauvieux, Chairman and Chief Executive Officer, and Messrs. Christian Lefèvre and Gaël Bodénès, Executive Vice Presidents.

For more information, please see the management report in the Company's 2016 Registration Document on pages 37 and 38.

## 1.8 BUYBACK PROGRAM – CANCELLATION OF ACQUIRED SHARES

The meeting is asked:

- ▶ to authorize, for a period of 18 months, a new buyback program limited to 5% of the share capital. The maximum purchase price would be €30 per share, thus giving a maximum total budget of €114,513,900.

These purchases may be made with a view to:

- ▶ stimulate the secondary market or maintaining the liquidity of BOURBON Corporation shares through an investment service provider, operating within the scope of a liquidity contract in accordance with the AMAFI code of professional practice as approved by the French Financial Markets Authority;
- ▶ hold shares to cover stock option plans and/or bonus share allotment plans (or similar plans), for the benefit of employees and/or representatives of the Group, and to allow allotments of shares within the scope of a Company or Group savings plan (or similar plan) or as part of employee participation in the results of the Company and/or any other form of share allotment to employees and/or representatives of the Group;
- ▶ potentially cancel shares thus acquired, subject to the adoption, by the shareholders at this General Meeting, of the seventeenth resolution for the Extraordinary Meeting.

These share purchases may be transacted by any means, including acquisition of blocks of shares, at such times as the Board may choose.

The Company reserves the right to use options and derivatives within the bounds of applicable regulations:

- ▶ to authorize the Board, within the stated cancellation objective, to cancel as the Board sees fit and in one or more steps, within the limit of 10% of the authorized capital per period of 24 months all or any of the shares which the Company holds or may come to hold after repurchases made in accordance its buyback program and to thereby reduce the legal capital accordingly.

This authorization will be given for a period of 24 months, as of the date of the meeting.

## 1.9 FINANCIAL DELEGATIONS

As regards finance, you will be requested to resolve on delegations and authorizations allowing the Board to proceed, as it sees fit, with any issues which may be required for the development of the Company's business. You are thus requested to renew the following delegations and authorizations:

### **Delegation of authority for the Board of Directors to issue ordinary shares and/or equity securities affording access to other equity securities or giving entitlement to allotment of debt securities and/or transferable securities affording access to equity securities to be issued, without pre-emptive subscription rights, by means of an offering to the public – Determination of the procedures for setting the subscription price, up to a maximum of 10% of the capital – Increase in the amount of issuances in the event of excess demand**

The General Meeting is asked to grant to the Board of Directors, for a period of 26 months, a delegation of authority to increase the capital, in accordance with Articles L. 225-129-2, L. 225-136, L. 225-148 and L. 228-92 of the French Commercial Code, by issuance of ordinary shares and/or equity securities giving access to other forms of equity securities or giving the right to acquire debt securities and/or securities giving access to equity securities to be issued in a public offering.

The overall nominal amount of the ordinary shares that could be issued may not exceed €8,000,000. The nominal amount of the debt securities on the Company that could be issued may not exceed €350,000,000. These ceilings would be independent of all other ceilings stipulated in the other resolutions of this meeting.

This delegation is proposed to you in order to enable your Company to benefit from all opportunities on the capital markets, and to quickly carry out a capital increase if necessary. You are therefore asked to eliminate the shareholders' pre-emptive subscription right to the shares and other securities that may be issued under this delegation, while leaving the Board the ability to grant priority to the shareholders, in accordance with the law.

- ▶ With the Board of Directors having the ability to decide whether to issue ordinary shares or securities giving access to the share capital, without pre-emptive subscription rights, by means of an offering to the public, the General Meeting is asked to authorize the Board of Directors to derogate within the limit of 10% of the capital per year, from the conditions for determining price set forth above and to determine the issuance price for comparable equity securities as follows: The issuance price for the comparable equity securities to be issued immediately or in the future may not be lower, at the option of the Board of Directors:
  - ▶ either than the average weighted stock price of the Company's shares on the day prior to determination of the issuance price, subject to a maximum discount of 15%,
  - ▶ or than the average stock price over five consecutive trading days chosen from the last thirty trading days prior to determination of the issuance price, subject to a maximum discount of 10%.
- ▶ The General Meeting is asked to grant the Board of Directors the ability to increase the number of securities provided for in the initial issuance subject to the conditions and limits provided for by laws and regulations.

**Delegation of authority to be given to the Board of Directors to increase the capital without pre-emptive subscription rights for the benefit of the participants in a Company savings plan pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code**

The General Meeting is asked to delegate authority to the Board of Directors, for a period of 26 months, to carry out one or more capital increases by issuance of ordinary shares or securities giving access to the capital for the benefit of the participants in one or more Company or Group savings plans established by the Company and/or its French or foreign related companies pursuant to Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, up to a maximum nominal amount of €5,000,000, such amount to be independent of any other ceiling provided for by the meeting.

The implementation of such a capital increase would require elimination of the shareholders' pre-emptive subscription rights in favor of the beneficiaries of the issuance.

It is noted that the price for the shares to be issued would be determined pursuant to the conditions and limits under applicable laws and regulations.

This delegation is proposed to you in accordance with Article L. 225-129-6 section 2 of the French Commercial Code, in connection with the three-year obligation.

**Authorization to be given to the Board of Directors to grant stock subscription and/or purchase options to employees (and/or certain corporate officers)**

The General Meeting is asked to authorize the Board of Directors, for a period of 38 months, to grant employees and Group corporate officers stock subscription and/or purchase options up to a maximum of 5% of the existing share capital on the date of the meeting.

The total number of options that may be so granted to the Executive Directors of the Company may not give the right to purchase or subscribe for a number of shares greater than 1% of the capital within the above-mentioned ceiling. (This specific ceiling is provided for in accordance with Article 23.2.4 of the AFEP-MEDEF Code). Moreover, in the event of a grant of options to the Executive Directors, the exercise of such options must be subject to performance conditions.

The subscription price would be determined by the Board based on the average stock price over the last 20 trading sessions prior to the grant with no discount allowed.

**1.10 REALIGNMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION**

It is moved that the General Meeting:

- ▶ delegate to the Board of Directors the ability to align the Company's Articles of Association with legislative and regulatory provisions, subject to ratification of such modifications by the next Extraordinary General Meeting;
- ▶ align section 2 of Article 4, "Head Office", of the Company's Articles of Association with Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption, and the modernization of economic life, known as the "Sapin II Law", with the rest of the Article to remain unchanged:
 

*"It may be transferred to any other location in France by decision of the Board of Directors, subject to ratification of such decision by the next Ordinary General Meeting";*
- ▶ to delete section 2 of Article 21, "Statutory Auditor", from the Company's Articles of Association, in order to align with Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption, and modernization of economic life, known as the "Sapin II Law", which removed the obligation to appoint Alternate Statutory Auditors when the Principal Statutory Auditor is a legal entity.

Our recommendation is that you approve the resolutions proposed to this meeting.

**The Board of Directors.**