

Governance

WHY IT MATTERS

Robust corporate governance is critical to achieving our goals and our business success. We are committed to consistently implementing best practices that support our corporate values. Our governance activities, reflected in part in our Code of Business Conduct and Bylaws, are designed to integrate and strengthen our enterprise risk management programs and achieve compliance with applicable laws and regulations in the countries where we operate.

HOW WE DO IT

We conduct our business in accordance with high ethical standards based on integrity, reliability, fairness, mutual respect, and trust. We lead by example. In doing so, we honor our legacy and strengthen McDermott for the future.

WHERE WE'RE GOING

We will continue to strengthen our corporate governance and align our business, sustainability, and energy transition strategies. In 2022, we plan to:

- Drive a safe-to-speak-up culture and implement our “Speak Up” campaign across all operational sites with a focus on craft employees and subcontractors to build awareness and increase understanding and use of the grievance process
- Provide education and training to support identification of human rights concerns, violations, or incidents of discrimination



Corporate Governance and Board Oversight

Our Board of Directors guides our strategic direction, including our sustainability and ESG strategies, promoting the highest standards of integrity.

The members of the McDermott Board of Directors bring a diverse range of relevant skills, experiences, and perspectives. This includes significant experience in the oil and gas industry, energy, risk oversight and management, environmental, social and governance (ESG) and sustainability, energy transition, technology and innovation, health, safety, and environment (HSE), finance, investment banking, international operations, and government. The combination of these areas of expertise contribute to sound governance and effective oversight of McDermott’s performance and long-term business strategy.

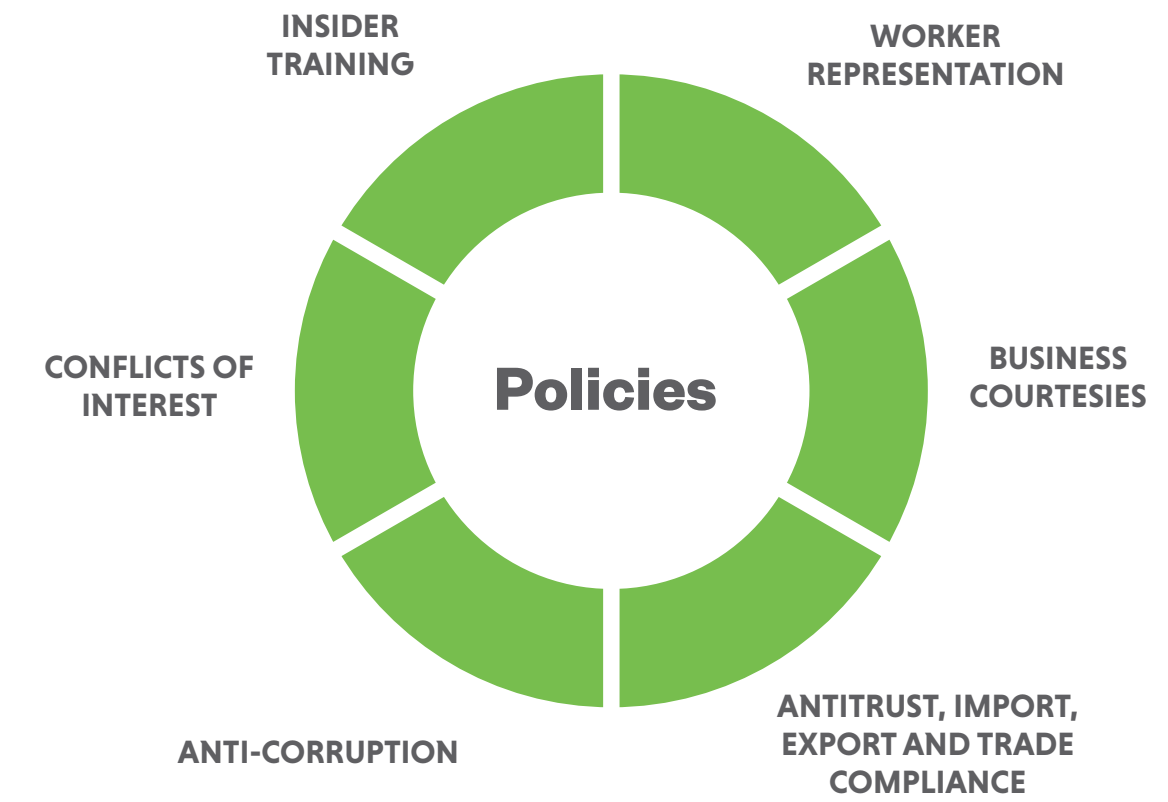
The McDermott Board has four committees, each responsible for specific areas of oversight and governance: the Audit Committee, Governance Committee, Risk Committee, and Compensation Committee. Each Committee chair has specific relevant experience and expertise.

Our Board of Directors recognizes the benefits of diversity and believes that any search for potential director candidates should consider diversity as to gender, race, ethnic background, and personal and professional experiences. Additionally, our Board of Directors has adopted Corporate Governance Guidelines to guide any independent director search firm retained to assist the Governance Committee to identify director candidates, including diverse candidates in terms of race, ethnic background, and gender.

 **For more information about our engagements with suppliers, please visit the [Social Responsibility](#) section.**

Business Ethics

McDermott’s commitment to ethics and integrity is the foundation of how we conduct our business. Our commitment is supported by policies, management systems, and processes. Our **Code of Business Conduct** guides our daily interactions and practices and empowers employees and contractors to do the right thing, speak up, and make suggestions for continual improvement. We believe this is a core component of building a sustainable business for the benefit of our owners, employees, customers, business partners, and the communities in which we operate.



CODE OF BUSINESS CONDUCT OVERSIGHT, TRAINING, AND COMPLIANCE

As a global company, we take ethics and integrity and compliance standards seriously. We expect our employees, suppliers, subcontractors, and other business partners to uphold our Code of Business Conduct principles. Leadership and oversight of our Ethics and Compliance program are provided by the Chief Ethics & Compliance Officer, the Executive Committee, and the Board of Directors. We communicate regularly with employees, suppliers, subcontractors, and partners on our values and compliance-related policies and procedures. All new employees are required to review and acknowledge our policies upon joining McDermott. Employees at and above the technical and professional specialist levels complete mandatory Code of Business Conduct training annually. In 2021, our training included modules on Anti-Bribery and Anti-Corruption, Conflicts of Interest, Forced Labor and Human Trafficking, and Workplace Harassment, among others.

SUPPLY CHAIN MANAGEMENT

Our suppliers play an essential role in the success of our projects and are often seen as a reflection of our company. We expect our suppliers to adhere to our fundamental values, policies, and procedures and apply these same principles in conducting their business.

Suppliers who work at McDermott sites are required to comply with all regulatory requirements and to acknowledge and agree to McDermott’s policies and commitments, including our **Code of Business Conduct and Human Rights expectations**. Prior to working with any new supplier, we conduct due diligence to evaluate their conformance to issues that are material to McDermott and to identify and address any potential risks to both McDermott’s business and sustainability efforts.





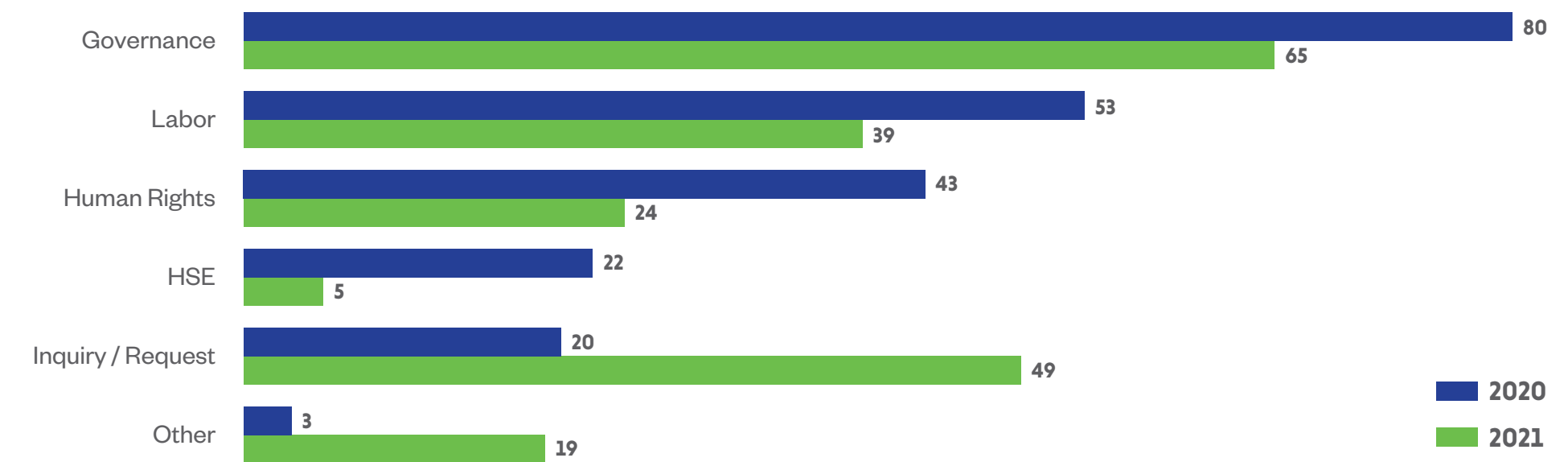
ETHICS HELPLINE

All stakeholders, including employees, contractors, suppliers, and community members, are encouraged to report concerns, questions, or suspected violations of McDermott's Code of Business Conduct through our independent, third party-maintained Ethics Helpline². The Ethics Helpline is available 24 hours a day, seven days a week, with translation and interpretation support in more than 30 languages. Those using the Ethics Helpline have the option to report anonymously, and we maintain strict rules and confidentiality. We include Ethics Helpline information in onboarding presentations and annual global communication materials translated into multiple languages to facilitate awareness, understanding, and use, and to support our continuous improvement.

In addition to using the Ethics Helpline, employees can report suspected violations of our Code of Business Conduct by emailing or calling the Ethics and Compliance Team directly. Each report received is handled promptly, discreetly, and professionally with appropriate investigation and action.

When an ethics-related complaint is received, it goes through a rigorous investigation process. We have goals around timeline resolution, and all investigations are documented, whether claims are substantiated or unsubstantiated, with appropriate feedback to the reporter, unless anonymous. These investigations and documentation help us identify lessons learned and focus areas for communication and training.

Grievances Received from Ethics Helpline*



*Our Ethics Helpline is hosted by an external third party so that reporters have the option to remain fully anonymous. McDermott has dedicated specialists within our internal Ethics & Compliance function who are committed to full investigation of every concern or claim about a breach of our Code of Business Conduct. We maintain a stringent zero retaliation policy to protect any person making an allegation in good faith.

² Reports may be submitted in person, by telephone, through email at ethics@mcdermott.com, via the [web](#), or by contacting our Ethics Helpline at the telephone number designated for the employee's work location.

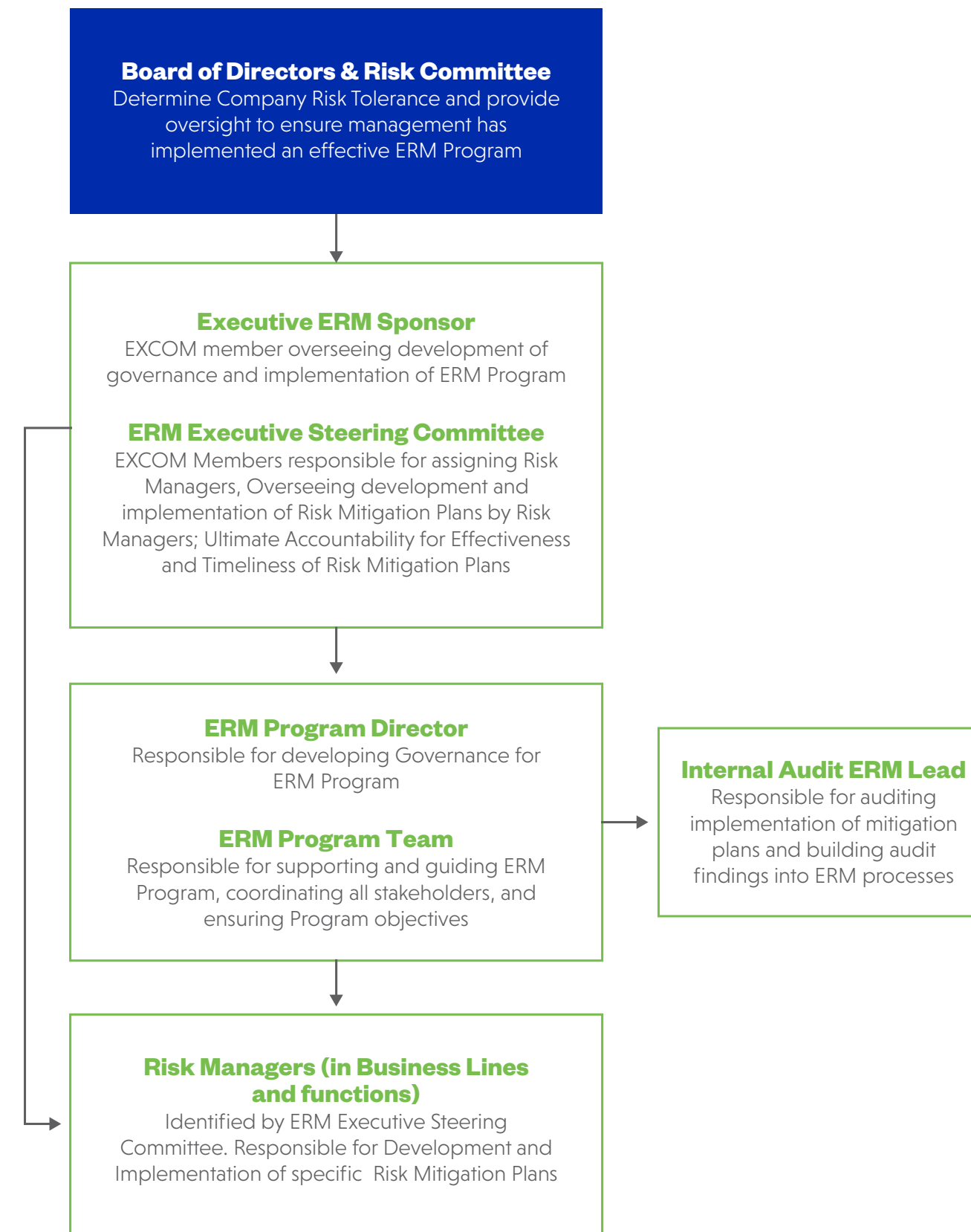
Enterprise Risk Management

McDermott's Enterprise Risk Management (ERM) framework is aligned with ISO 31000:2018, an internationally recognized risk management process tailored to fit our business and risk profile. Our system is designed to solicit input from multiple areas of the business and multiple categories of employees to identify, assess, and manage enterprise-level risks and review the effectiveness of our risk mitigation strategies. Within our framework, we maintain a continuous and dynamic ERM process to adjust to internal and external developments. This includes identifying and responding to emerging risks to continue our ability to operate and efficiently allocate resources.



Our ERM Program, led by Executive Vice President, Sustainability & Governance, is overseen by The Risk Committee of our Board of Directors. The program, enhanced in 2021, is designed to discuss, develop, standardize, and integrate risk management best practices throughout our organization and to support risk-based decision making. Improvements in 2021 included driving greater interaction across various areas of expertise and operation such as sustainability, safety, energy transition, finance, and operations. Collaboration across these teams increases diverse thinking and drives stronger risk assessment and management. Our program, with executive leadership, generates better plans for long-term success and business resiliency.

ERM Organizational Structure & Overview of Responsibilities



Our Board and Executive Leadership Team routinely review and discuss enterprise-level risks and mitigation plans. The Internal Audit Team assists in auditing the implementation of mitigation plans and building audit findings into the ERM process.

CYBERSECURITY AND DATA PRIVACY

McDermott recognizes that there are ever-evolving, inherent risks associated with cybersecurity and data privacy in the industry in which we operate. Protecting our information and identity is part of our culture and Code. We honor confidentiality and continue bolstering our procedures and practices to protect our company's, employees', and customers' personal and proprietary data and information.

The nature of our business sometimes requires working with highly sensitive and confidential customer data and personally identifiable information (PII). Our success, in large part, depends on how well we manage the electronic records we create to support our customers and employees. Our employees are required to protect, manage, and dispose of electronic information in accordance with our records management and records retention policies. Depending on the job function of the employee or the function of the person who creates the electronic records, each record may require review prior to deletion. All employees are required to contact their records manager, liaison, or coordinator for additional guidance with respect to electronic record management.

Our comprehensive employee training and awareness program around cybersecurity and data privacy includes regular communications, security blog "Let's Talk Security" by Global Cyber Security leader, focused in-person and virtual training during annual security week, which includes external speakers from government agencies, and quarterly data privacy training provided to employees who most often process employee PII. McDermott is audited internally and externally for compliance with our internal policies:

- Annual security awareness training is mandatory for employees and contractors assigned email accounts or internet access
- Users failing a phishing test are required to complete security awareness training at time of failure. User compliance is enforced with removal of access to the internet until training requirement is completed.

McDermott is continually working to safeguard our information from cybersecurity attacks. As part of our response to the COVID-19 pandemic, we implemented flexible work schedules for our employees, wherever possible. The combination of working from our offices, sites, and homes has required additional resources and focus from our Information Technology (IT) team to better protect and secure our data and access to our systems. We continue to monitor our systems and perform vulnerability tests to keep our employees' and customers' information secure.

PUBLIC POLICY AND POLITICAL LOBBYING

At McDermott, we value participation in the political process while recognizing and respecting the various viewpoints and affiliations of our employees. We encourage our employees to participate in the political process, while keeping in mind that company policy and the law require political activity to be an entirely personal matter.

McDermott's political engagement efforts are aligned with our mission to deliver safe, clean, and affordable access to energy. Our political engagements are guided by our Code of Business Conduct, and include how we participate in industry associations, lobbying, and contributions to government agencies and entities. We partner with industry organizations to promote sustainability and leverage opportunities to advance sustainability together.