

WE ARE DAMEN. WE DO SHIPS!

DAMEN SHIPYARDS GROUP

GENERAL BUSINESS PRINCIPLES



MISSION

Damen is a customer focused, international and family owned shipbuilder with Dutch roots. We design and build innovative ships of excellent quality, supported by a worldwide network of sales and services including maintenance and repair & conversion facilities.

VISION

Damen aims to become a global market leader in niche markets of shipbuilding, ship repair & conversion, delivery of components and related services. We grow step by step, developing quality ships and services. Damen wants to exceed its customers' expectations in terms of quality, innovation, and reliability. Damen attracts top-class customers, employees, suppliers and other business partners to be successful in a safe environment.

OUR VALUES

At Damen we stand for the following

- We are proud to work for Damen and operate as **one family**.
- **Teamwork** is key to success.
- We are **committed** to our work and show our **professionalism** every day.
- We trust our colleagues and partners and are **open** about what we do and how we do it.
- We show **integrity** and **responsibility** in our behaviour.
- We give **safety** our highest priority.
- We have **respect** for our customers, employees, suppliers, local communities, other stakeholders and the environment.
- And we have **fun**!

These Core Values drive us to be the best at what we do; they guide us in doing business and set the business standard for our operations.

OUR GOALS

We strive to be the market leader in every niche we operate in.

The market leader is the company that achieves the highest turnover in a particular niche and eventually becomes the most profitable party in that niche. It can take a long time to achieve that position, sometimes as long as 10 to 25 years.

By serving our niches with a broad portfolio of new build ships, repair & conversion activities, services and components, we are determined to be one step ahead of the competition.

We want Damen and Amels to be considered as top brands in the international maritime industry.

OUR STRATEGY

BUSINESS APPROACH

Having a central matrix organization between sales and product groups, supported by a geographically distributed portfolio of production yards is the key to our success.

The central sales organization offers a wide range of products & services synergistically; this enables a cost effective sales & service provision and supports Damen's commercial strength.

The central sales organization is responsible for the bulk of the worldwide sales of predominantly standard ships, repair & conversion activities, and services in all niches. Sales departments serve customers with a specific geographic focus. Additionally, a limited number of local Damen production yards are responsible for sales in their specific region.

By applying standardization we can offer our customers innovative ships with reliable and proven technology, and a guaranteed performance at a competitive price.

The ship standards are recognized in the market contributing to a high resale value.

Standardization also facilitates the interchangeability of ships, crew, spares and equipment, which contributes to higher up-time, decreasing the operational and maintenance costs.

Producing ships on stock to realize short delivery times.

Standardization allows Damen to build ships on stock enabling fast response times to customer requests and gives Damen comparative cost price advantages.

Best in Class Customer Finance maximizes our ability to support customers in obtaining financing for their ships.

Based on many years of experience in the industry, we are well positioned to assess business opportunities with our customers and offer a broad range of financing and leasing solutions. Our approach to assist customers in obtaining financing is characterised by calculated risk acceptance, enabling them to buy more ships.

GROWTH AND MARKET PENETRATION

Growing step-by-step in our range of products and services.

This will be achieved through both autonomous development of ship types and related services, and by the acquisition of selected yards and companies that offer quality products and services that have a strategic fit and complement the Damen portfolio.

The expanding central sales & marketing organization has a leading role in identifying new niches and markets, as well as new yards and companies.

Growth in the portfolio of repair & conversion yards will be pursued separately.

The repair & conversion activity is mostly a local business that is more successful if one has relatively more regional dominance as evidenced by the acquisition of a number of neighbouring yards in NW Europe. Future expansion in other geographical areas is a consideration.

The Damen Services organization is focused on provision of excellent service for the ships of our customers and to contribute to their continued cost effective operation and commercial success. To that effect a global network of Service Hubs will safeguard fast response times.

Growth of the expanding sales organization and product & services portfolio, will be supported by increased engineering, project management, supply chain and production capacity.

For those customers requiring a non-standard ship design, Damen maintains a limited number of local production yards to build semi-customized ships.

In those cases where customers may require non-standard options and features we can apply customization to our standard ships. These semi-customized ships – sold by the central sales organization, are built by these local Damen production yards.

In the exceptional cases where a customer requires a ship for its operations that cannot be found in the standard or semi-customized Damen series, we can offer custom-built ships. However, given Damen's key design and shipbuilding methodology, custom-built projects should only be taken on board when it has a sufficiently attractive risk/reward ratio both for Damen and for the customer or when such a project will serve as an important reference. Custom-built ships can also serve as a first step for developing a new, standardized ship type or a series of ships.

Addressing a production capacity imbalance alone is not a sufficient justification to contract custom-built ships.

CODE OF CONDUCT

QUALITY

We are determined to deliver top quality, customer friendly products and services.

With these products and services we support our customers in achieving their operational targets, by lowering their operational & maintenance costs and by maximizing their up-time.

Damen quality standards result in high residual value of our ships and thus relatively lower depreciation rates.

This makes it considerably easier to find ship financing solutions.

Damen is dedicated to top research and development together with our business partners and knowledge institutes, to generate new concepts and launch new, state-of-the-art products and innovative solutions into the market.

Innovation is our growth engine and main source of competitive differentiation.

As we are the world's largest builder of small ships and have the most versatile product & services portfolio, we are well placed to lead our business in R&D.

COSTS

Striving for cost leadership by efficiently producing and providing top quality products and services and performing excellent repair & conversion activities.

This will be realized by:

- Shifting our production, procurement and manufacturing of ships & components, and engineering as much as possible to countries with an acceptable infrastructure and high rate of cost efficiency.
- Achieving a high degree of standardization through producing in substantial series at dedicated production facilities. In order to realize 'economies of scale' and hence reduce the cost price, these series should be more or less endless with the flexibility to quickly adapt to changing market circumstances.
- Standardizing parts as much as possible across ship types.
- Producing components in cost efficient regions where technical knowledge is available allowing Damen to manufacture components at a competitive level. This means Damen is in control of the production, cost price and quality of essential components that we need in large quantities. Secondly, it means that, because of these large volumes, Damen can sell these components to third parties.

STANDARD OF CONDUCT

Damen companies and their employees will conduct their business in accordance with the Core Values and the Business Principles referenced below. It is the responsibility of every Damen employee individually and each Group company collectively to live up to our Core Values and Business Principles.

Damen expects its business partners to adhere to Core Values and Business Principles consistent with its own. See the Supplier Code of Conduct to learn more in detail about the obligation

Damen adheres to the following Business Principles:

1 OBEYING THE LAW

Damen companies, Business Partners and their employees must obey the laws and regulations of the countries in which they operate.

2 COMMUNITY AT LARGE

Damen will conduct its activities in a socially responsible manner, respecting its employees and other stakeholders. Damen will give proper regard to health, safety and the environment.

Damen companies are encouraged to support the community in which they operate and offer their employees the opportunity to play an active role in society while respecting their responsibilities towards Damen.

3 EMPLOYEES – WORK ENVIRONMENT – HEALTH AND SAFETY

Damen is committed to providing an attractive working environment for its employees.

Damen promotes equal opportunities for employees.

Damen will not tolerate harassment of any kind.

Damen provides safe and healthy working conditions in order to prevent harm to the health of all employees and other stakeholders. Damen therefore requires its employees to comply with health and safety regulations.

Damen will not make use of any form of forced, compulsory and/or child labour.

Damen recognizes the right for employees to establish or join an employee organisation of their choice (including trade unions), as well as the right to be represented by such organisation.

Damen employees are expected to apply high ethical standards.

4 COMMUNICATION

Damen will assure open and clear communication between employees and management on all aspects of the working environment. All communication should take place in a fair manner respecting the integrity of Damen companies and their employees.

5 BUSINESS INTEGRITY

Damen will not allow bribery and/or any other forms of unethical business practice in its companies or by its employees. No employee may receive, make, offer, promise or authorize any payment or gift which is, or may be construed as being a bribe.

- > See the Anti-bribery & Corruption Policy to learn in more detail how we can maintain our business integrity and avoid bribery and corruption.
- > For more information about gifts, hospitality, travel and entertainment in this context, see the policy for Personal & Business Integrity.

The group companies of Damen and their employees ensure that integrity risks for entering into and maintaining a business relationship with partners such as customers, suppliers and agents are identified and managed and that agreements are made with partners concerning the fulfilment of the Core Values and Business Principles.

Damen companies and their employees will make sure not to cooperate, be it directly or indirectly, in money laundering, fraud and/or financing of terrorism.

All business transactions and payments shall be accurately and completely recorded in accordance with Damen's accounting principles, and local laws and may be subject to audit.

- > See the Financial Compliance Policy to learn more in detail about financial control obligations.

Damen companies and their employees must comply with export and import controls in the countries where Damen conducts business, and (economic and humanitarian) sanctions that may apply to their business activities.

- > See the Export Compliance Policy to learn more about compliance on Import and Export control as well as sanctions.

6 COMPETITION

Damen supports the principles of free enterprise and fair competition. Damen does not tolerate violation of competition laws.

Damen companies and their employees will conduct their operations in accordance with the principles of fair competition and all applicable competition laws.

- > See the Competition Policy for more information.

7 CONFLICTS OF INTEREST

Employees should avoid conflicts of interests between their private dealings and their responsibilities towards Damen. Prior approval by management is required for the fulfillment of private functions that may interfere adversely with the interests of a Damen company.

Damen Group companies do not participate in, or support political parties. Damen Group companies do not make any payments or donations to political parties or their institutions, agencies or representatives. Damen does not facilitate political donations by employee action committees.

- > For more information concerning conflicts of interest, sponsoring and donations, see the policy for Personal & Business integrity.

8 SAFEGUARDING INFORMATION AND ASSETS

Damen recognizes and respects the importance of protecting personal data. Damen has developed valuable intellectual property rights, including patents, trademarks, copyrighted works, and trade secrets (e.g. confidential technical or business information), which employees have a responsibility to protect. The transfer thereof is subject to the prior management approval.

Therefore, unless otherwise directed, employees should not disseminate privileged Damen information beyond limits established in the normal course of fulfilling their job role/description. Releasing such information outside this scope will require prior approval from the employee's relevant manager.

COMPLIANCE & REPORTING

Damen expects that all employees, including temporary employees, subcontractors, volunteers and trainees comply with this Code of Conduct. Employees are also expected to discuss questions concerning the Code of Conduct and dilemmas in the workplace with each other and their supervisors.

Infringement of the Code of Conduct is specifically prohibited. Damen understands that where work is done, mistakes can be made. We learn from mistakes and they give us the opportunity to improve things. Conscious infringement of the Code of Conduct, however, such as fraud, bribery or conflicts of interest may lead to the appropriate sanctions.

Damen expects employees to report infringements of this Code of Conduct directly to their supervisors and to the Group Compliance Officer. In addition, employees may use the Damen Whistle-blower's Policy to make reports. If desired, reports can be made anonymously and all reports are handled confidentially. Damen prohibits any form of reprisal against employees that have made a report in good faith.

Employees can contact the Group Compliance Officer via compliance@damen.com for questions about this Code of Conduct, advice dilemmas in their daily work or suspicion of infringement of this Code of Conduct.

- > For more information about reporting suspicions of infringement of this Code of Conduct, see the Whistle-blower's Policy