

McDERMOTT INTERNATIONAL, INC.**Governance Committee Charter*****Purpose***

The Governance Committee (the "Committee"), in its capacity as a committee of the Board of Directors (the "Board") of McDermott International, Inc. (the "Company"), shall have responsibility for effective governance of the Company. Without limiting the generality of the foregoing, the Committee shall have oversight responsibility for the following:

- assist the Board by identifying individuals qualified to become Board members, and recommend to the Board (a) each year the director nominees for the next annual meeting of shareholders and (b) candidates to fill any vacancies on the Board as they may arise;
- develop, review and recommend to the Board any changes the Committee deems appropriate to the Company's Corporate Governance Guidelines;
- lead the Board in its annual review of the performance of the Board, its committees and each of the directors;
- recommend to the Board a director to serve as Chairman of the Board and, if a Lead Director is to be appointed pursuant to the Company's Corporate Governance Guidelines, the Lead Director;
- recommend to the Board the directors to serve on each Board committee and the chair of each such committee;
- serve as the primary committee overseeing the Company's Compliance and Ethics Program, excluding certain oversight responsibilities assigned to the Audit Committee of the Board (the "Audit Committee"); and
- take other actions relating to any additional matters specified herein.

It is the intent of the Board that the Committee shall satisfy the purposes and responsibilities of a nominating/corporate governance committee required by the rules of the New York Stock Exchange (the "NYSE").

The Committee shall have and may exercise all the powers of the Board, except as may be prohibited by applicable law, with respect to all matters encompassed by this Charter.

Committee Membership

The Committee shall consist of no fewer than three members, each of whom shall meet the applicable independence requirements of the NYSE. Except in any such member's capacity as a member of the Committee, the Board, or any other Board committee, no member shall accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof.

The members of the Committee shall be appointed by the Board, on the recommendation of the Committee, and serve until their successors are duly appointed and qualified, or until their earlier death, resignation or removal. Committee members shall be selected on the basis of their overall business knowledge, experience and understanding of corporate board governance, and demonstrated ability to add substance to key deliberations. The Committee Chair shall be designated by the Board. If the Board should fail to designate a Committee Chair, the members of the Committee may designate a Committee Chair by majority vote of the Committee members. The Board shall have the authority at any time to remove one or more members of the Committee for any reason.

Subcommittees of the Committee may be formed when necessary to address specific issues identified by the Committee. Except where the context otherwise requires, and subject to the requirements of applicable

law, any reference to the “Committee” in the description of any authority granted under this Charter shall be deemed to refer to the Committee and any such subcommittees, collectively.

Meetings and Agenda Items

The Committee should meet at least two times per year. Meetings may be called by or at the direction of the Committee Chair, any two members of the Committee or the Chairman of the Board (or the Lead Director, if a Lead Director has been appointed in accordance with the Company’s Corporate Governance Guidelines). The Committee may meet by teleconference and act by unanimous written consent or electronic transmission as permitted by applicable law. A majority of the members of the Committee shall constitute a quorum for any meeting of the Committee. All matters to be decided at a meeting duly called and held shall be decided by the affirmative vote of a majority of the Committee membership present in person or via teleconference at the meeting. The Committee Chair shall preside at the meetings of the Committee. In the absence of the Committee Chair, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting. The activities of the Committee shall be developed from year to year by the Committee Chair in consultation with management and input from other Committee members. Each meeting of the Committee will have an “Executive Session” as an agenda item. Committee members and other directors may suggest the addition of any matter to the agenda for any meeting of the Committee. Any Committee member may raise at any meeting of the Committee any subjects that are not on the agenda for that meeting. The Committee may adopt such other rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as may be necessary or desirable and not inconsistent with the By-Laws of the Company or this Charter. The Committee shall maintain written minutes of its meetings, which minutes shall be filed with the Company’s records.

The Committee shall be given the resources and assistance necessary to discharge its responsibilities, including unrestricted access to Company personnel and documents. The Company’s Corporate Secretary shall be responsible for the timely delivery of the meeting materials, including meeting agendas and backup materials, and the preparation of the minutes of the meetings of the Committee.

Any member of the Board who is not a member of the Committee may attend any Committee meeting with the concurrence of the Committee Chair or a majority of the members of the Committee.

Committee Authority and Responsibilities

1. The Committee shall assess, on an annual basis, the skills and characteristics that candidates for election to the Board at the Company’s next annual meeting of shareholders should possess, or candidates to fill vacancies on the Board between annual meetings of shareholders, as well as the composition of the Board as a whole, and make such recommendations to the Board with respect thereto as the Committee deems appropriate. The Committee shall actively seek individuals qualified to become Board members and present recommendations for specific nominees for directorships to the Board, including (as the Committee deems appropriate) recommendations for renomination of current directors. All candidates must meet the criteria for directors as referred to in the Company’s Corporate Governance Guidelines. In assessing the qualifications of prospective nominees to the Board, the Committee shall consider, in addition to the criteria set forth in the Company’s Corporate Governance Guidelines, each nominee’s personal and professional integrity, experience, skills, ability, willingness to devote the time and effort necessary to be an effective Board member, and commitment to acting in the best interests of the Company and its shareholders. Consideration shall also be given to the Board’s diversity and having an appropriate mix of backgrounds and skills. The Committee also shall consider and evaluate any director nominees proposed by shareholders of the Company.
2. The Committee shall have the sole authority to retain and terminate any search firm to be used to assist in the identification and recruitment of director candidates and shall have sole authority to approve the search firm’s fees and other retention terms. When a search firm is retained to assist the Committee in identifying director candidates, the Committee will instruct such search firm to seek to include diverse candidates in terms of race, ethnic background and gender.



3. The Committee shall have the authority to engage independent or outside counsel, accountants or other advisors, in each case of its choice and as it determines to be necessary or appropriate. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its advisors. The Committee shall not be required to implement or act consistently with the advice or recommendations of its advisors, and the retention of any such advisors shall not affect the ability of the Committee to exercise its own judgment in the fulfillment of its duties and responsibilities under this Charter.
4. The Committee shall identify and recommend to the Board a director to serve as Chairman of the Board and, if a Lead Director is to be appointed pursuant to the Company's Corporate Governance Guidelines, the Lead Director.
5. The Committee shall identify and recommend to the Board members of the Board to serve on the various committees of the Board and the chair of such committees.
6. The Committee shall oversee the annual evaluation of the Board (including individual directors) and the Board's committees to determine whether they are functioning effectively and in accordance with their respective charters and the Company's Corporate Governance Guidelines.
7. The Committee shall oversee the annual evaluation of the Chief Executive Officer, in conjunction with the Compensation Committee of the Board.
8. The Committee shall annually review and make recommendations to the Board with respect to the compensation of the Company's non-management directors.
9. The Committee shall oversee the development and implementation of programs for the training and orientation of new directors to familiarize them with the Company's business and key challenges.
10. The Committee shall review and reassess the adequacy of the Corporate Governance Guidelines of the Company periodically and recommend any proposed changes to the Board for consideration.
11. The Committee shall, on behalf of the Board, review and discuss with management any significant communication from shareholders and others concerning the Company's annual meeting of shareholders and governance processes and make recommendations to the Board in respect thereof if necessary.
12. The Committee shall review and assess the adequacy of the Articles of Incorporation and By-Laws of the Company periodically and recommend any proposed changes to the Board for consideration.
13. In accordance with the Company's Corporate Governance Guidelines, the Committee shall review any situation in which an individual director intends to change his or her professional occupation or association, including the acceptance or termination of employment, any directorship or a significant consulting arrangement, in each case from that he or she held when last elected to the Board (other than a change anticipated and disclosed to the Board at the time of nomination for the last election), or any issues with respect to any ethical standard set forth in the Company's Code of Business Conduct, and make a recommendation to the Board as to whether to request that such director volunteer to resign from the Board and any committees of the Board on which he or she serves.
14. The Committee shall review, and, if it deems appropriate, recommend for consideration by the Board, transactions with related persons and other companies with which any Board member is affiliated; provided, however, that any such transaction that falls within the scope of the Company's Board of Directors Conflicts of Interest Policies and Procedures shall be reviewed by the Board in accordance with such policies and procedures.
15. The Committee shall consider and recommend to the Board whether to accept or reject a director resignation, or take other action, where a director fails to receive a majority vote as specified under the Company's Corporate Governance Guidelines. In making its recommendation, the Committee may consider all factors it deems relevant, including the stated reason(s) why the stockholders voted against the director's election or re-election, whether the underlying reason for the failure to

receive a majority vote is a Company matter that could be cured, the qualifications of the director, and whether the resignation would be in the best interests of the Company and its stockholders. Any member of the Committee who tenders his or her resignation pursuant to the majority-vote policy provisions of the Company's Corporate Governance Guidelines shall not participate in the Committee recommendation regarding whether to accept such resignation.

16. The Committee shall have primary oversight responsibility for the Company's Compliance and Ethics Program, except those functions that are assigned to the Audit Committee under applicable statutes, rules or regulations.
17. The Committee shall review and assess the management succession plan for the Chief Executive Officer position and other members of executive management and on a periodic basis, but at least annually, review such plan with the Board.
18. The Committee shall periodically review and make recommendations to the Board regarding the size of the Board and its committees.
19. The Committee shall periodically review matters relating to indemnification of and insurance coverage for directors and officers of the Company and, if modifications are proposed with respect to an indemnity, shall make recommendations to the Board relating thereto.
20. The Committee shall periodically review legislative, regulatory or other public issues affecting or relating to the Company's corporate governance.
21. The Committee shall be responsible for administering the Company's Stock Ownership Guidelines (the "Guidelines"), including, without limitation, periodically reviewing director and officer compliance with the Guidelines. Without limiting the generality of the foregoing, administration of the Guidelines includes the authority to interpret, waive and amend the Guidelines.
22. The Committee shall be responsible for the oversight of risks related to the Committee's oversight areas, as set forth in this Charter, and shall periodically report to the Board on such risks.
23. The Committee may form and delegate authority to subcommittees when the Committee determines it appropriate to do so.
24. The Committee shall make regular reports to the Board, including a report on the Committee's annual assessment of the performance of the Board, its committees and individual directors.
25. The Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
26. The Committee may take such other actions and carry out such other duties and responsibilities as may be assigned to the Committee from time to time by the Board.