



**OFFSHORE**

ENERGY. COMMITTED.

ANNUAL REPORT 2020

## 3 GOVERNANCE

### 3.4 REMUNERATION REPORT

In this report, the remuneration for the Management Board and Supervisory Board is described. The first part contains a letter from the Chairman of the Appointment and Remuneration Committee ('A&RC') dealing with

remuneration matters, a description of the remuneration policy for the Management Board, how it was implemented for the Management Board members over 2020 and various other Management Board remuneration information. The second part describes the remuneration policy for the Supervisory Board and how it was implemented over 2020.

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#### Letter from the Chairman of the Appointment and Remuneration Committee dealing with Remuneration Matters

Dear reader,

2020 was a turbulent year for SBM Offshore. Whereas 2020 initially looked like a year of growth, the sudden global effects of the COVID-19 pandemic brought a complex challenge for SBM Offshore and its employees. Despite these challenging circumstances, the Company delivered excellent results. The focus on the Company values, Care, Entrepreneurship, Ownership and Integrity served as guidance for both management and all employees. The Supervisory Board is grateful for the commitment and performance of all SBMers during this challenging period of time.

The strategy of the Company showed to be the right one: strong in executing projects and safe and reliable operations ongoing in the traditional business while gradually including more renewable solutions. To execute the strategy more effectively, the Management Board took decisive actions to adjust the organization and to reduce costs. At the same time, investments in Research and Development, especially to support the energy transition and lower emissions, were made as planned.

During the 2020 AGM, CEO Bruno Chabas was re-appointed with a 99.9% vote. This re-appointment included a Base Salary increase of 20%. The implementation of this increase was deferred to a later date when the Supervisory Board would have better visibility on the impact of COVID-19. With more visibility during the course of the year and considering the financial results and the position of the Company, the Supervisory Board resolved in November to implement the increase of Bruno Chabas' Base Salary effective January 1, 2020.

This year's remuneration report is based on Remuneration Policy 2018 (RP 2018), which was adopted by shareholders in 2018 with ca. 70 percent of the votes. However, due to legislation implementing the EU Shareholder Rights' Directive in the Netherlands, remuneration policies now require the approval by 75% of shareholder votes.

During the AGM in April 2020, the shareholders voted positively on the Remuneration Report 2020, expressing support for the execution of RP 2018 in 2020. During the same meeting, RP 2018 was proposed to our shareholders again. This RP 2018 was proposed to be amended only to implement legally required changes. Although the proposal again was endorsed with 70% of the votes, it did not reach the required 75% of the votes. As a result, a new proposal is to be made to shareholders in 2021. For 2020, RP 2018 supported by 70% shareholders remained applicable. We do not repeat in the same detail all rationale for the RP 2018 policy in this chapter as a detailed explanation can be found in the 2019 annual report.

The Supervisory Board reviewed the elements of the existing policy and engaged with shareholders and other stakeholders for feedback on the remuneration policy. This input has been translated into a proposal for a new remuneration policy to be submitted to the 2021 AGM (RP 2022).

Input from stakeholders included feedback by some shareholders that they are not satisfied with the lack of a concrete underpin in place for the Long-Term Incentive (LTI) in the form of the Value Creation Stake (VCS). Other feedback related to the selection of companies used for the external reference group to determine Management Board pay levels. Some stakeholders raised questions about the quantum of the Management Board's remuneration.

The underpin and the reference group feedback will be addressed in the proposal for RP 2022. Anticipating the proposal for a new policy, the Supervisory Board already applied a more concrete underpin test prior to the grant of the 2021 Value Creation Stake. The Supervisory Board is not proposing a change to the overall quantum because it regularly monitors the international competitive landscape within which we compete for talent.

As part of the reconsiderations, the Supervisory Board confirmed its belief that the most direct and effective linkage of executives' interests and long-term shareholder value is in the form of long-term share ownership by executives through the Value Creation Stake. In line with the long-term intention of this instrument, shares are subject to a holding period of five years. This way the VCS aligns with the aim to create long-term value for all stakeholders, including members of the Management Board.

Without losing focus on the importance of long-term value creation, short-term performance is rewarded by the Short-Term Incentive (STI). The STI performance measures – EBITDA, Growth, and HSSE are based on key success factors for the Company. Despite the challenging circumstances, performance as measured by the STI performance measures was very good. This is detailed in sections 3.4.2 and 3.4.3 of this report.

The Supervisory Board remains committed to relevant and clear remuneration in line with best international practices. We are providing additional information in this report to improve transparency. I look forward to discussing the remuneration policy, actual remuneration as well as any other questions arising from this report at the 2021 AGM.

Cheryl Richard

Chairman of the Appointment and Remuneration Committee dealing with Remuneration Matters

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### 3.4.1 MANAGEMENT BOARD REMUNERATION POLICY

RP 2018 was adopted at the 2018 AGM and became effective January 1, 2018. Full details and the principles and rationale for the RP 2018 are available on SBM Offshore's website in the remuneration policy section under Corporate Governance.

The Company remunerates members of the Management Board for long-term value creation. RP 2018 is based on competitive remuneration aligned with the long-term performance of SBM Offshore. It is built on six reward principles: simplicity, flexibility, predictability, competitiveness, alignment and, most importantly, driving the right results.

#### Shareholder Rights' Directive and proposal for amendment to RP 2018

In December 2019, new legislation entered into force, implementing the EU Shareholder Rights' Directive (SRD II) in the Netherlands. During the AGM 2020, changes to RP 2018 were proposed to bring the policy into accordance with the new legislation. The AGM voted against the adoption of this revised policy. A new remuneration policy will be proposed during the 2021 AGM. The details of this new policy will be included in the agenda of the 2021 AGM.

This remuneration report has been drafted in accordance with SRD II as implemented in the Netherlands.

#### Explanation of RP 2018

SBM Offshore believes the oceans will provide the world with safe, sustainable and affordable energy for generations to come. Our mission is to share our experience to make it happen. In executing our strategy we are guided by our Core Values: Integrity, Care, Entrepreneurship and Ownership.

The underlying principles of the remuneration policy of the Management Board of SBM Offshore N.V. support the vision and ambition and aim for long-term value creation of the Company through the Value Creation Stake balanced with pay for performance through the Short-Term Incentive (STI). Sustainability is an integral part of the STI performance areas (through Health, Safety, Security and Environment).

The Company's strategy is aimed at optimizing, transformation and innovation of SBM Offshore's business processes in order to grow in size and create value. This is reflected in the STI performance areas of Profitability, Growth and HSSE (Sustainability). Through the STI performance areas, Management Board remuneration is directly linked to the success of the Company and the value delivered to shareholders.

Employment conditions and pay of the Company's employees within SBM Offshore are being taken into account when formulating the remuneration policy, for instance regarding the STI performance areas and payment dates. Employment conditions for Management Board members may differ from those applicable to employees, also because Management Board members have a service contract rather than an employment relationship. The principles of the remuneration policy are used as a guideline for employment conditions at SBM Offshore as a whole.

The four components of the remuneration package of Management Board members under RP 2018 are: (1) Base Salary, (2) STI, (3) Value Creation Stake and (4) Pension and Benefits.

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### REMUNERATION POLICY STRUCTURE MANAGEMENT BOARD

REMUNERATION POLICY 2018		DETAILS
<b>Base Salary</b>	Fixed component	Level set based on both internal and external relativities
<b>STI</b>	Percentage of Base Salary as short term cash incentive (100% at target for CEO and 75% for other Management Board members)	Identical targets for all Management Board members (based on profitability, growth and HSSE including sustainability)
<b>Value Creation Stake</b>	Award of locked-in shares: 175% of Base Salary	This award is conditional upon Supervisory Board approval - Immediate vesting plus 5-year holding requirement
<b>Pension</b>	Pension allowance equal to 25% of Base Salary	In principle, Management Board members are responsible for their own pension arrangements
<b>Benefits</b>	Benefits include car allowance and health/ life insurance	Other benefits depend on individual circumstances and may include a housing allowance

#### 1. BASE SALARY

The Base Salary is set by the Supervisory Board and is a fixed component paid in cash. Depending on internal and external developments such as market movements, the Supervisory Board may adjust Base Salary levels.

#### 2. SHORT-TERM INCENTIVE

The STI is designed to create a rigorous pay for performance relationship and is a conditional variable component. The STI key performance indicators focus on three performance areas: (i) Profitability, (ii) Growth and (iii) HSSE<sup>17</sup>. The Supervisory Board, upon the recommendation of the A&RC determines for each of the performance measures the specific performance targets and their relative weighting in the beginning of the financial year.

STI	
PERFORMANCE MEASURES	WEIGHTING
PROFITABILITY	40 - 60%
GROWTH	20 - 40%
HSSE	15 - 25%
TOTAL	100%
DISCRETIONARY JUDGEMENT SUPERVISORY BOARD	- 10%

<sup>17</sup> Health, Safety, Security, Environment

The three performance areas are specified as follows:

- Underlying and directional EBITDA is used as an indicator of overall short-term profitability.
- Order Intake and/or the number of FEEDs is used as an operational indicator of top line growth.
- HSSE regards Sustainability performance. This includes targets around the UN Sustainable Development Goals.

If the Supervisory Board is of the opinion that another measure would be more qualified as an indicator for profitability, growth or HSSE, it will inform the shareholders in the remuneration report. Performance measures will never be adjusted retrospectively.

Performance ranges – threshold, targeted and maximum - are set for each of the key performance indicators. The STI is set at a target level of 100% of the Base Salary for the CEO and 75% of the Base Salary for any other member of the Management Board. The threshold pay-out is at 0.5 times target and maximum pay-out will not exceed 1.5 times target. A linear pay-out line applies between threshold and maximum. Below threshold, the pay-out is zero.

The Supervisory Board appreciates that transparency and accountability require a precise STI measurement. As decided in 2019, the Supervisory Board will no longer apply discretion to increase the outcome of the STI. The Supervisory Board may still adjust the outcome of the STI down by up to 10%, which adjustment will be reported on in the remuneration report.

At the end of the performance year, the performance is reviewed by the Supervisory Board and the pay-out level is determined. The performance measures, target setting, and realization are published in this remuneration report. For reasons of commercial and/or market sensitivity, these details are not published at the start of the performance period. In general, details regarding order intake will not be shared. The STI is payable in cash after the publication of the Annual Report for the performance year.

### 3. VALUE CREATION STAKE

The Value Creation Stake is an award of restricted shares to create direct alignment with long-term shareholder value. The awarded shares must be held for at least five years. After retirement or termination, the shares cannot be sold for the duration of two years. The gross annual grant value for each of the Management Board members is 175% of Base Salary. The number of shares is determined by a four-year average share price (volume-weighted). The Value Creation Stake has a variable element to the extent that the share price develops during the holding period. The Supervisory Board retains the discretion not to award the

Value Creation Stake in exceptional market or business circumstances ('underpin').

All members of the Management Board are required to build up Company stock of at least 350% of Base Salary. The value of the share ownership is determined at the date of grant.

### 4. PENSION AND BENEFITS

In principle, the Management Board members are responsible for their own pension arrangements and receive a pension allowance equal to 25% of their Base Salary for this purpose.

The Management Board members are entitled to additional benefits, such as a company car allowance, medical and life insurance and (dependent on the personal situation of the Management Board member) a housing allowance.

### KEY ELEMENTS EMPLOYMENT AGREEMENTS

Each of the Management Board members has entered into a four-year service contract with the Company, the terms of which have been disclosed in the explanatory notice of the General Meeting of Shareholders at which the Management Board member was (re-)appointed. Next to his service contract, Bruno Chabas has an employment contract with Offshore Energy Development Corporation S.A.M., in relation to a split pay-out of his remuneration.

#### Adjustment of remuneration and claw-back

The service contracts with the Management Board members contain an adjustment clause giving discretionary authority to the Supervisory Board to adjust the payment of the STI and LTI (as granted under RP 2015), if a lack of adjustment would produce an unfair or unintended result as a consequence of extraordinary circumstances during the period in which the performance criteria have been, or should have been achieved. However, the Supervisory Board has determined that upward adjustments will not be considered as part of RP 2018 based on shareholder feedback.

A claw-back provision is included in the services contracts enabling the Company to recover the Value Creation Stake, STI and/or LTI (as granted under RP 2015) on account of incorrect financial data.

#### Severance Arrangements

The Supervisory Board will determine the appropriate severance payment for Management Board members in accordance with the relevant service contracts and Corporate Governance Code. The current Corporate Governance Code provides that the severance payment will not exceed a sum equivalent to one times annual Base Salary. This also applies in a situation of a change in control.

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### Loans

SBM Offshore does not grant loans, advance payments or guarantees to its Management Board members.

### 3.4.2 EXECUTION OF THE MANAGEMENT BOARD REMUNERATION POLICY IN 2020

The Supervisory Board is responsible for ensuring that the remuneration policy is appropriately applied and aligned with the Company's objectives. The remuneration level is determined by the Supervisory Board using a comparison with Dutch and international peer companies, as well as internal pay ratios across the Company.

### REFERENCE GROUP

In order to determine a competitive Base Salary level and to monitor total remuneration levels of the Management Board, a reference group of relevant companies in the industry (the 'Reference Group') has been defined. Pay levels of the Management Board members are benchmarked annually to the Reference Group. In the event a position cannot be benchmarked within the Reference Group, the Supervisory Board may benchmark a position to similar companies. In 2020, the Reference Group consisted of:<sup>18</sup>

<sup>18</sup> Due to changes such as bankruptcy and delisting, Diamond Offshore Drilling, McDermott International and Volker Wessels are no longer part of the reference group. The reference group currently exists of 14 companies.

Arcadis	Oceaneering International	Vopak
Boskalis	Petrofac	Wood Group
Fugro	RPC Inc	
Helmerich & Payne	RPS Group	
IMI	Superior Energy Services	
Noble Corporation	Transocean	

Also in 2020, the Supervisory Board assessed the Management Board's remuneration in relation to the Reference Group's pay levels, revenue and market capitalization.

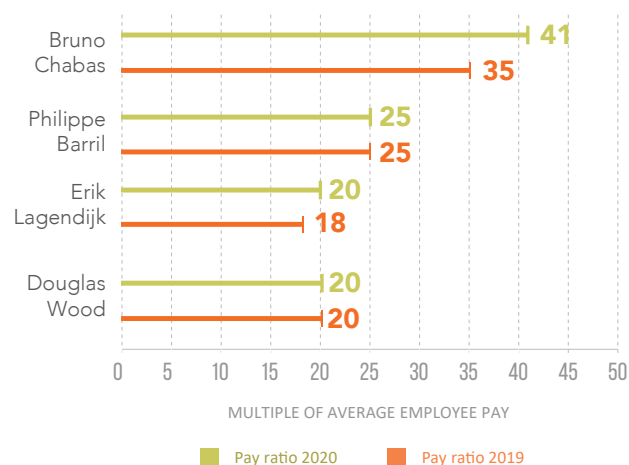
The final determination of pay levels for the Management Board also took into account various scenario analyses to assess the impact of different performance levels and share price developments on the total remuneration paid.

### PAY RATIOS

The Supervisory Board also includes internal pay ratios when assessing Management Board pay levels.<sup>19</sup> In 2020, the average total employee expenses was EUR114 thousand. The pay-ratio's of each of the Management Board members over 2020 and 2019 are displayed in the following graph.

<sup>19</sup> The pay-ratio is calculated as the total accounting costs of remuneration for each of the Management Board members expressed as a multiple of the average overall employee benefit expenses for a given year (excluding employees working for JVs and associates).

### PAY RATIO



### TOTAL REMUNERATION OVERVIEW

The table below provides you with insight in the costs for SBM Offshore for Management Board reward in 2020. The table below presents an overview of the remuneration of the Management Board members who were in office in 2020.

	Bruno Chabas		Philippe Barril		Erik Lagendijk		Douglas Wood		Total	
in thousands of EUR	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Base salary	960	800	634	634	518	450	518	484	2,630	2,368
STI	1,176	916	582	544	475	386	475	415	2,708	2,261
Value Creation Stake	1,965	1,372	1,311	1,134	1,062	772	1,071	845	5,408	4,122
Pensions	296	245	158	158	129	113	129	121	712	637
Other	213	165	154	147	39	39	44	41	450	392
<b>Total expense for remuneration</b>	<b>4,610</b>	<b>3,498</b>	<b>2,839</b>	<b>2,617</b>	<b>2,223</b>	<b>1,760</b>	<b>2,237</b>	<b>1,906</b>	<b>11,908</b>	<b>9,780</b>
LTI (RP 2015) <sup>1</sup>	-	630	-	325	-	325	-	419	-	1,699
<b>Total expense for remuneration including LTI</b>	<b>4,610</b>	<b>4,128</b>	<b>2,839</b>	<b>2,942</b>	<b>2,223</b>	<b>2,085</b>	<b>2,237</b>	<b>2,325</b>	<b>11,908</b>	<b>11,479</b>
in thousands of US\$	5,265	4,621	3,243	3,293	2,539	2,334	2,555	2,603	13,601	12,851

<sup>1</sup> LTI (RP 2015) expenses are inclusive of expenses related to sign-on RSUs.

## 1. BASE SALARY

As part of the re-appointment of Bruno Chabas during the 2020 AGM, it was resolved to increase his Base Salary from EUR800 thousand to EUR960 thousand effective from January 1, 2020. This increase was announced in the Q3 trading update press release. In November 2020, the Supervisory Board resolved to increase Erik Lagendijk's Base Salary from EUR450 thousand to EUR518 thousand effective from January 1, 2020. The 2020 and 2019 Base Salary levels are shown both in the table at the beginning

of section: Management Board Remuneration in 2020 and in the table Remuneration of the Management Board by member in section 3.4.3.

## 2. SHORT-TERM INCENTIVE

For 2020, the Supervisory Board set the following performance measures and corresponding weighting, which led to the following performance realization. For full details regarding the performance under the STI, please refer to the Performance STI 2020 table in section 3.4.3.

## PERFORMANCE REALIZATION\*

	PERFORMANCE MEASURE	RELATIVE WEIGHTING	WEIGHTED PERFORMANCE
<b>PROFITABILITY</b>	EBITDA, underlying & directional	50%	75%
<b>GROWTH</b>	Order intake FPSO, TMS and #FEED	30%	17%
<b>HSSE</b>	HSSE=Fleet significant deviations, TRIFR and SDG target completion	20%	30%
<b>TOTAL</b>		100%	122%

\*The weighted performance percentages in this graph relate to the CEO. For other Management Board members the performance is 75% thereof.

Underlying directional EBITDA, corrected for restructuring costs, resulted in US\$992 million against target level of US\$900 million. Order intake related to new projects (FPSO, Turret Mooring Systems and contracts positioning the Company to win EPC projects). No new FPSO contracts were secured, but several other contracts were concluded

to contribute to growth of the Company. For reasons of commercial sensitivity, no details about the further order intake achievements are disclosed. Regarding the HSSE targets and Process Safety, a leading indicator measured by Fleet Significant Deviations (45% Reduction vs. 2019 YE baseline), scored above maximum. A TRIFR score of 0.10

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was achieved. The targets around the Sustainable Development Goals (#7, #8, #14) were completed at 108% (against the target of 100%).

### 3. VALUE CREATION STAKE

The Supervisory Board decided to grant the Value Creation Stake for 2020 to the Management Board members in accordance with RP 2018. In November 2020, the 2020 Value Creation Stake award for Bruno Chabas and Erik Lagendijk respectively were adjusted due to their Base Salary increase per January 1, 2020. As per RP 2018, the granted Value Creation Stake vests immediately. The gross annual value for each of the Management Board members is 175% of Base Salary. The number of shares was based on the four year average share price (volume weighted) at the date of the respective grant. The cost of the granted Value Creation Stake is included in the table at the beginning of

this section 3.4.2. The number of shares vested under the Value Creation Stake can be found in section 3.4.3 of this remuneration report under Conditions of and information regarding share plans.

The actual shareholdings of the Management Board members per the end of 2020, in which only conditional shares are taken into account, can be found at the end of the Overview Share-Based Incentives (section 3.4.3). This overview also includes the number of conditionally granted and/or vested shares in the last few years.

### 4. SHAREHOLDING REQUIREMENT MANAGEMENT BOARD

The following table contains an overview of shares held in SBM Offshore N.V. by members of the Management Board per December 31, 2020.

	Shares subject to conditional holding requirement	Other shares	Total shares at 31 December 2020	Total shares at 31 December 2019
Bruno Chabas	411,418	716,186	1,127,604	975,910
Philippe Barril	276,071	111,755	387,826	278,428
Erik Lagendijk	186,991	35,427	222,418	143,984
Douglas Wood	194,104	-	194,104	115,614
	<b>1,068,584</b>	<b>863,368</b>	<b>1,931,952</b>	<b>1,513,936</b>

All Management Board members met the share ownership requirement, which is set at an equivalent of 350% of their Base Salary. Section 3.4.3 contains more information about the (historical) share plans for the Management Board.

### 5. PENSIONS AND BENEFITS

Management Board members received a pension allowance equal to 25% of their Base Salary. In case these payments are not made to a qualifying pension fund, Management Board members are individually responsible for the contribution received and SBM Offshore withholds wage tax on these amounts. For the CEO, two pension arrangements (defined contribution) are in place and its costs are included in the table at the beginning of this section 3.4.2.

The Management Board members received several allowances in 2020, including a car allowance and a housing allowance (Bruno Chabas and Philippe Barril). The value of these elements is included in the table at the beginning of this section 3.4.2 and in section 3.4.3.



### 3.4.3 OTHER REMUNERATION INFORMATION

Various tables are included in this section, in compliance with the implemented EU Shareholder Rights' Directive into Dutch law. These tables are designed to increase transparency and accountability for the execution of RP 2018 and aim to allow shareholders, potential investors and other stakeholders to better assess Management Board remuneration.

#### Overview share based incentives

The following table represents the movements during 2020 of all unvested shares (the total number of vested shares

held by Management Board members are reported in section 3.4.2 under Shareholding requirement Management Board). Unvested Long-Term Incentive (LTI) shares in the columns Outstanding at the beginning and/or end of the year, are reported at the Target LTI numbers. The actual vesting hereof in the year are shown for the actual number as per the outcome of the performance criteria and as per the relevant remuneration policy. As at December 31, 2020 the following share-based incentives are outstanding:

	Outstanding at the beginning of 2020	Granted	Vested	Outstanding at the end of 2020	Status at the end of 2020	Vesting date	End of blocking period	Fair value of share at the grant date – €	Fair value of the TSR component – €
<b>Bruno Chabas – CEO</b>									
2017 LTI	80,817	-	161,634	-	vested	2020	2022	14.31	19.62
	<b>80,817</b>	-	<b>161,634</b>	-					
<b>Philippe Barril – COO</b>									
2017 LTI	53,878	-	80,817	-	vested	2020	2022	14.31	15.54
	<b>53,878</b>	-	<b>80,817</b>	-					
<b>Erik Lagendijk – CGCO</b>									
2017 LTI	53,878	-	80,817	-	vested	2020	2022	14.31	15.54
	<b>53,878</b>	-	<b>80,817</b>	-					
<b>Douglas Wood – CFO</b>									
2017 LTI	53,878	-	80,817	-	vested	2020	2022	14.31	15.54
	<b>53,878</b>	-	<b>80,817</b>	-					
<b>Peter van Rossum – former CFO</b>									
2017 LTI	5,238	-	7,857	-	vested	2020	2022	14.31	15.54
	<b>5,238</b>	-	<b>7,857</b>	-					

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### Conditions of and information regarding share plans

The following table includes further details regarding the various (historical) share plans, including the changes throughout 2020.

The main conditions of share award plans					Information regarding the reported financial year			
Specification of plan	Performance period <sup>3</sup>	Grant date	Vesting date(s)	End of retention period	Opening balance <sup>1</sup>	During the year		Closing balance <sup>2</sup>
					Shares held at the beginning of the year	Shares granted (# / EUR x 1,000) <sup>4</sup>	Shares vested (# / EUR x 1,000) <sup>5</sup>	Shares subject to a retention period
<b>Bruno Chabas, CEO</b>								
2015 LTI	2015-2017	27-03-2015	11-04-2018	11-04-2020	108,724	0 / 0	0 / 0	-
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	108,279	0 / 0	0 / 0	108,279
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	161,634	0 / 0	161,634 / 2,112	85,873
Value Creation Stake 2018	N/A	01-01-2018	01-01-2018	01-01-2023	77,402	0 / 0	0 / 0	77,402
Value Creation Stake 2019	N/A	01-01-2019	01-01-2019	01-01-2024	74,043	0 / 0	0 / 0	74,043
Value Creation Stake 2020	N/A	01-01-2020	01-01-2020	01-01-2025	-	98,872 / 1,655	98,872 / 1,655	54,963
Additional Value Creation Stake 2020 <sup>6</sup>		01-01-2020	01-01-2020	01-01-2025	-	19,774 / 309	19,774 / 309	10,858
<b>Philippe Barril, COO</b>								
Restricted Shares	N/A	01-03-2015	01-03-2018	01-03-2020	46,604	0 / 0	0 / 0	-
2015 LTI	2015-2017	27-03-2015	11-04-2018	11-04-2020	65,151	0 / 0	0 / 0	-
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	54,778	0 / 0	0 / 0	54,778
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	80,817	0 / 0	80,817 / 1,056	54,712
Value Creation Stake 2018	N/A	01-01-2018	01-01-2018	01-01-2023	53,292	0 / 0	0 / 0	53,292
Value Creation Stake 2019	N/A	01-01-2019	01-01-2019	01-01-2024	50,978	0 / 0	0 / 0	50,978
Additional Value Creation Stake 2019	N/A	01-01-2019	01-01-2019	01-01-2024	7,625	0 / 0	0 / 0	7,625
Value Creation Stake 2020	N/A	01-01-2020	01-01-2020	01-01-2025	-	78,313 / 1,311	78,313 / 1,311	54,686
<b>Erik Legendijk, CGCO</b>								
2015 LTI	2015-2017	27-03-2015	11-04-2018	11-04-2020	35,427	0 / 0	0 / 0	-
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	42,122	0 / 0	0 / 0	42,122
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	80,817	0 / 0	80,817 / 1,056	42,936

The main conditions of share award plans					Information regarding the reported financial year			
Specification of plan	Performance period <sup>3</sup>	Grant date	Vesting date(s)	End of retention period	Opening balance <sup>1</sup>	During the year		Closing balance <sup>2</sup>
					Shares held at the beginning of the year	Shares granted (# / EUR x 1,000) <sup>4</sup>	Shares vested (# / EUR x 1,000) <sup>5</sup>	Shares subject to a retention period
Value Creation Stake 2018	N/A	01-01-2018	01-01-2018	01-01-2023	33,924	0 / 0	0 / 0	33,924
Value Creation Stake 2019	N/A	01-01-2019	01-01-2019	01-01-2024	32,511	0 / 0	0 / 0	32,511
Value Creation Stake 2020	N/A	01-01-2020	01-01-2020	01-01-2025	-	55,616 / 931	55,616 / 931	30,917
Additional Value Creation Stake 2020 <sup>6</sup>		01-01-2020	01-01-2020	01-01-2025	-	8,342 / 131	8,342 / 131	4,581
<b>Douglas Wood, CFO</b>								
Restricted Shares	N/A	01-10-2016	01-10-2019	01-10-2021	15,265	0 / 0	0 / 0	15,265
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	31,591	0 / 0	0 / 0	31,591
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	80,817	0 / 0	80,817 / 1,056	42,936
Value Creation Stake 2018	N/A	01-01-2018	01-01-2018	01-01-2023	33,924	0 / 0	0 / 0	33,924
Value Creation Stake 2019	N/A	01-01-2019	01-01-2019	01-01-2024	32,511	0 / 0	0 / 0	32,511
Additional Value Creation Stake 2019	N/A	01-07-2019	01-07-2019	01-07-2024	2,323	0 / 0	0 / 0	2,323
Value Creation Stake 2020	N/A	01-01-2020	01-01-2020	01-01-2025	-	63,958 / 1,071	63,958 / 1,071	35,554
<b>Peter van Rossum, former CFO</b>								
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	31,580	0 / 0	0 / 0	31,580
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	7,857	0 / 0	7,857 / 103	4,174
					<b>1,349,996</b>	<b>324,875 / 5,408</b>	<b>736,817 / 10,790</b>	<b>1,104,338</b>

1 Opening balance consists of both shares held and unvested grants for conditional plans at assumed maximum target.

2 Closing balance consists of the full grant and vesting of the relevant plan, including any sell-to-cover performed to compensate a wage tax impact.

3 Performance period always refers to a full year

4 Converted at the share price at the date of grant

5 Converted at the share price at the date of vesting

6 Additional Value Creation Stake 2020 due to salary increase.

## 3 GOVERNANCE

### Remuneration of the Management Board by member in thousands of EUR:

The purpose of this table is to show actual total remuneration of Management Board members during the reported financial year. It includes the STI 2020 and the LTI 2017-2019 (which vested in 2020). The relative proportion of fixed and variable remuneration in the reported financial year is also presented, whereas for the purpose of this table, the Value Creation Stake is earmarked as variable remuneration. The total remuneration in 2020 is impacted by the vesting of both the 2017-2019 LTI cycle, granted in 2017, as well as the Value Creation Stake, granted in 2020.

The total remuneration in 2019 is simultaneously impacted by the 2016-2018 LTI cycle, granted in 2016, and the Value Creation Stake, granted in 2019. The 2017-2019 LTI was the last cycle remaining from the former RP 2015.

This table is in line with the current draft Guidelines on the Standardized Presentation of the remuneration report as regards the encouragement of long-term shareholder engagement. Since this table includes former LTI programs, the total remuneration is impacted by the vesting of two separate programs.

Name of Director, Position	Year	Fixed remuneration		Variable remuneration					Total remuneration	Proportion of fixed and variable remuneration
		Base salary	Other benefits	STI <sup>1</sup>	LTI	Value Creation Stake <sup>2</sup>	Extra-ordinary Items <sup>3</sup>	Pension expense		
Bruno Chabas, CEO	2020	960	213	1,176	2,112	1,965	-	296	6,721	22% / 78%
	2019	800	165	916	2,795	1,372	-	245	6,293	19% / 81%
Philippe Barril, COO	2020	634	154	582	1,056	1,311	-	158	3,895	24% / 76%
	2019	634	147	544	1,414	1,134	-	158	4,030	23% / 77%
Erik Legendijk, CGCO	2020	518	39	475	1,056	1,062	-	129	3,278	21% / 79%
	2019	450	39	386	1,414	772	-	113	3,174	19% / 81%
Douglas Wood, CFO	2020	518	44	475	1,056	1,071	-	129	3,293	21% / 79%
	2019	484	41	415	1,060	845	456	121	3,422	19% / 81%
Peter van Rossum, former CFO	2020	-	-	-	103	-	-	-	103	0% / 100%
	2019	-	-	-	607	-	-	-	607	0% / 100%

1 STI based on accrual accounting, taking into consideration that this reflects the STI to be paid over the performance of that year.

2 The Value Creation Stake does not meet the definition of either fixed or variable remuneration, but for the proportion is considered variable.

3 The extra-ordinary items consist of the sign-on RSUs granted to the Management Board member upon joining the Company.

### Comparative table on the change of remuneration and company performance over the last five reported financial years

In the table below, information on the annual change of remuneration of each individual Management Board member is set out over the five most recent financial years. In addition, the performance of the Company (measured in Directional Underlying EBITDA and TRIFR) is displayed as well as the average remuneration on a full-time equivalent

basis of employees of the Company (calculated in the same manner as the internal pay ratio in this section). Under RP 2015, LTI shares vested three years after award. Under RP 2018, the LTI was replaced by the Value Creation Stake, which vests immediately upon award. As a result, for the years 2018, 2019 and 2020, this table includes both the former LTI vesting and the Value Creation Stake.

in thousands of EUR, except company's performance

Annual Change	2015	2016	2017	2018	2019	2020
Bruno Chabas, CEO	3,994	1% / 4,039	30% / 5,749	5% / 6,037	4% / 6,293	6% / 6,721
Philippe Barril, COO	1,597	(34%) / 1,192	26% / 1,602	61% / 4,100	(2%) / 4,030	(3%) / 3,895
Erik Lagendijk, CGCO	1,102	(36%) / 812	27% / 1,118	61% / 2,869	10% / 3,174	3% / 3,278
Douglas Wood, CFO		218	82% / 1,233	36% / 1,941	43% / 3,422	(4%) / 3,293
Peter van Rossum, former CFO	2,162	9% / 2,368	(26%) / 1,877	(114%) / 878	(45%) / 607	(491%) / 103
<b>Company's performance</b>						
Underlying Directional EBITDA in million US\$	718	8% / 778	3% / 806	(3%) / 784	6% / 832	16% / 992
TRIFR <sup>1</sup>	0.22	29% / 0.31	(63%) / 0.19	(6%) / 0.18	(38%) / 0.13	(30%) / 0.10
<b>Average employee expenses on a full-time equivalent basis</b>						
Average employee expenses of the Company <sup>2</sup>	125	(12%) / 112	6% / 119	(6%) / 113	3% / 117	(3%) / 114

1 Total recordable injury frequency rate trends are positive when downwards.

2 The average employee expenses of the company are based on the IFRS expenses including share based payments. The average employee expenses are influenced by both the composition of the population both in function as well as geographical location and the related foreign currency impacts.

### Performance STI 2020

For more information on the actual performance of the STI 2020, reference is made to 3.4.2 under Short Term-Incentive.

## 3 GOVERNANCE

Performance measure	Relative Weighting	Threshold	Target	Maximum	Actual performance	Actual in % of base salary	
<b>Profitability</b>							
Underlying directional EBITDA <sup>1</sup>		US\$ 850M	US\$ 900M	US\$ 950M	US\$ 992M	150%	
	50%						
Corresponding awards in €		<b>Bruno Chabas, CEO</b>	€ 240,000	€ 480,000	€ 720,000	€ 720,000	150%
		<b>Philippe Barril, COO</b>	€ 118,809	€ 237,619	€ 356,428	€ 356,428	113%
		<b>Erik Lagendijk, CGCO</b>	€ 97,031	€ 194,063	€ 291,094	€ 291,094	113%
		<b>Douglas Wood, CFO</b>	€ 97,031	€ 194,063	€ 291,094	€ 291,094	113%
<b>Growth</b>							
Order Intake FPSO, TMS and contracts positioning the company to win EPC		SBM Offshore does not disclose order intake details as this is considered market sensitive information					
	30%						
Corresponding awards in €		<b>Bruno Chabas, CEO</b>	€ 144,000	€ 288,000	€ 432,000	€ 168,000	58%
		<b>Philippe Barril, COO</b>	€ 71,286	€ 142,571	€ 213,857	€ 83,168	44%
		<b>Erik Lagendijk, CGCO</b>	€ 58,219	€ 116,438	€ 174,656	€ 67,922	44%
		<b>Douglas Wood, CFO</b>	€ 58,219	€ 116,438	€ 174,656	€ 67,922	44%
<b>HSSE</b>							
Process Safety Fleet 8%, Total Recordable Injury Frequency rate 8% and Sustainable Development Goals 4%		Target Fleet Significant Deviations = -45% Reduction vs. 2019 YE baseline; Target TRIFr = 0.10; Target SDG Completion #7, #8 and #14 at 108%					
	20%						
Corresponding awards in €		<b>Bruno Chabas, CEO</b>	€ 96,000	€ 192,000	€ 288,000	€ 288,000	150%
		<b>Philippe Barril, COO</b>	€ 47,524	€ 95,048	€ 142,571	€ 142,570	113%
		<b>Erik Lagendijk, CGCO</b>	€ 38,813	€ 77,625	€ 116,438	€ 116,438	113%
		<b>Douglas Wood, CFO</b>	€ 38,813	€ 77,625	€ 116,438	€ 116,438	113%
<b>Total pay out on STI</b>		<b>Bruno Chabas, CEO</b>	€ 480,000	€ 960,000	€ 1,440,000	€ 1,176,000	122%
		<b>Philippe Barril, COO</b>	€ 237,619	€ 475,238	€ 712,856	€ 582,166	92%
		<b>Erik Lagendijk, CGCO</b>	€ 194,063	€ 388,125	€ 582,188	€ 475,453	92%
		<b>Douglas Wood, CFO</b>	€ 194,063	€ 388,125	€ 582,188	€ 475,453	92%

<sup>1</sup> The Supervisory Board has resolved to correct the underlying directional EBITDA of US\$ 944M for restructuring costs incurred in 2020.

### 3.4.4 SUPERVISORY BOARD REMUNERATION POLICY

Following the implementation of SRD II in the Netherlands, the remuneration policy of the Supervisory Board was adopted at the 2020 AGM. The changes to the remuneration policy did not include an amendment of the fee levels.

SBM Offshore believes the oceans will provide the world with safe, sustainable and affordable energy for generations to come. We share our experience to make it happen. The remuneration policy encourages a culture of long-term value creation and a focus on the long-term sustainability of the Company. The remuneration of the Supervisory Board members is not dependent on the results of the Company, which allows an unmitigated focus on long-term value creation for all stakeholders. The focus on the corporate values Integrity, Care, Entrepreneurship, Ownership contributes to the realization of the Company's strategic objectives.

The Company's strategy revolves around the themes Optimize, Transform and Innovate. The Optimize pillar is

Position	Fee in EUR
Chairman Supervisory Board	120,000
Vice-Chairman Supervisory Board	80,000
Member Supervisory Board	75,000
Chairman Audit and Finance Committee	10,000
Member of the Audit and Finance Committee	8,000
Chairman of the Appointment and Remuneration Committee dealing with appointment matters	9,000
Chairman of the Appointment and Remuneration Committee dealing with remuneration matters	9,000
Member of the Appointment and Remuneration Committee	8,000
Chairman of the Technical and Commercial Committee	10,000
Member of the Technical and Commercial Committee	8,000

All fees above are on an annual basis and are not dependent on the number of meetings. Supervisory Board members also receive an annual amount of EUR500 for expenses, and a lump sum of EUR5,000 per meeting when intercontinental travel is involved.

#### PENSIONS

The Supervisory Board members do not receive a pension allowance.

#### ARRANGEMENTS WITH SUPERVISORY BOARD MEMBERS

Members of the Supervisory Board are appointed by the General Meeting of Shareholders for a maximum term of four years. Re-appointment can take place as per the law, articles of association and the Supervisory Board Rules of the Company. The term of the Supervisory Board members

reflected in the competitiveness of the remuneration policy, which is in line with global peer companies that may compete with SBM Offshore for business opportunities and/or talent. The remuneration should enable retaining and recruiting Supervisory Board members with the right balance of experience and competencies while observing the Supervisory Board Profile and Diversity Policy, to oversee the execution of the strategy and the performance of the Company. The remuneration intends to promote an adequate performance of their role. The strategic pillars Transform and Innovate are reflected in the focus of the Supervisory Board on long-term value creation.

Considering the nature of the role and responsibility of the Supervisory Board, the pay and employment conditions of employees are not taken into account when formulating the remuneration policy.

#### FEE LEVEL AND STRUCTURE

The fee level and structure for the Supervisory Board remuneration is currently as follows:

terminates at the end of their term, in case of resignation or dismissal by the General Meeting of Shareholders.

#### LOANS

SBM Offshore does not provide loans or advances to Supervisory Board members and there are no loans or advances outstanding. SBM Offshore does not issue guarantees (and/or sureties) to the benefit of Supervisory Board members.

## 3 GOVERNANCE

### 3.4.5 SUPERVISORY BOARD REMUNERATION IN 2020

#### Remuneration of the Supervisory Board by member in thousands of EUR

In accordance with the Supervisory Board Remuneration Policy, the remuneration paid out to the Supervisory Board in 2020 is as follows:

Name of Supervisory Board Member, Position	Year	Fees	Committee fees	Other benefits <sup>1</sup>	Total remuneration	Proportion of fixed and variable remuneration
Roeland Baan, Chairman <sup>2</sup>	2020	108	11	1	119	100% / 0%
	2019	75	16	1	92	100% / 0%
Andy Brown, Vice-Chairman <sup>2</sup>	2020 <sup>3</sup>	58	7	0	66	100% / 0%
	2019	-	-	-	-	-
Bernard Bajolet, Member	2020	75	8	1	84	100% / 0%
	2019	75	8	1	84	100% / 0%
Francis Gugen, Member	2020	75	10	1	86	100% / 0%
	2019	75	10	1	86	100% / 0%
Sietze Hepkema, Member	2020	75	8	1	84	100% / 0%
	2019	75	8	1	84	100% / 0%
Laurence Mulliez, Member	2020	75	16	1	92	100% / 0%
	2019	75	16	1	92	100% / 0%
Cheryl Richard, Member	2020	75	9	6	90	100% / 0%
	2019	75	9	31	115	100% / 0%
Jaap van Wiechen, Member	2020 <sup>3</sup>	55	6	0	61	100% / 0%
	2019	-	-	-	-	-
Floris Deckers, Chairman <sup>4</sup>	2020 <sup>5</sup>	32	5	0	37	100% / 0%
	2019	120	17	1	138	100% / 0%
Thomas Ehret, Vice-chairman <sup>4</sup>	2020 <sup>5</sup>	20	3	0	23	100% / 0%
	2019	80	10	1	91	100% / 0%

<sup>1</sup> Other benefits items for the supervisory board consist mainly of the lump sum for intercontinental travel at EUR 5,000 each and a yearly expense allowance of EUR 500

<sup>2</sup> As per April 8, 2020

<sup>3</sup> Remuneration based on months after appointment at the AGM

<sup>4</sup> Until April 8, 2020

<sup>5</sup> Remuneration based on months prior to retirement at the AGM

#### Comparative table on the change of remuneration and company performance over the last five reported financial years in thousands of EUR

In the table below, information on the annual change of remuneration of each individual Supervisory Board member is set out over the five most recent financial years.



Annual Change <sup>1</sup>	2015	2016	2017	2018	2019	2020
Roeland Baan, Chairman <sup>2</sup>	-	-	-	66	28% / 92	23% / 119
Andy Brown, Vice-Chairman <sup>2</sup>	-	-	-	-	-	66
Bernard Bajolet, Member	-	-	-	60	28% / 84	0% / 84
Francis Gugen, Member	87	(2%) / 85	0% / 85	0% / 85	1% / 86	0% / 86
Sietze Hepkema, Member	59	29% / 83	0% / 83	0% / 83	1% / 84	0% / 84
Laurence Mulliez, Member	53	34% / 81	2% / 83	2% / 85	7% / 92	0% / 92
Cheryl Richard, Member	78	26% / 106	2% / 108	(9%) / 99	14% / 115	(28%) / 90
Jaap van Wiechen, Member	-	-	-	-	-	61
Floris Deckers, Chairman <sup>3</sup>	92	0% / 92	0% / 92	26% / 124	10% / 138	(268%) / 37
Thomas Ehret, Vice-chairman <sup>3</sup>	89	1% / 90	0% / 90	0% / 90	1% / 91	(300%) / 23
Frans Cremers, former member	123	10% / 137	0% / 137	(251%) / 39	-	-
Lynda Armstrong, former member	89	2% / 91	0% / 91	(203%) / 30	-	-

<sup>1</sup> For the comparative company performance and average employee expenses on a full-time equivalent basis we refer to the comparative of the Management Board table in section 3.4.3

<sup>2</sup> As per April 8, 2020

<sup>3</sup> Until April 8, 2020

None of the Supervisory Board members receives remuneration that is dependent on the financial performance of the Company, as per best practice 3.3. of the Corporate Governance Code.

With the exception of Sietze Hepkema, none of the Supervisory Board members have reported holding shares (or other financial instruments) in SBM Offshore N.V. His entire shareholding relates to the (share based) remuneration he has received as a Management Board member in the past.

SBM Offshore does not provide loans or advances to Supervisory Board members and there are no loans or advances outstanding.