



**OFFSHORE**

ENERGY. COMMITTED.

ANNUAL REPORT 2020

### 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>	-					

## 3 GOVERNANCE

### 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.