



OFFSHORE

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ANNUAL REPORT 2020

4 CORPORATE STATEMENTS 2020

REMUNERATION OF THE KEY MANAGEMENT PERSONNEL OF THE COMPANY

The remuneration of key management personnel of the Company paid during the year, including pension costs and performance related Short-Term Incentives (STI), amounted to US\$19 million (2019: US\$19 million). There are no loans outstanding to the members of the key management or guarantees given on behalf of members of the key management.

The performance-related part of the remuneration, comprising Value Creation Stake and STI components, was 68% (2019: 70%). The Management Board's remuneration (which is Euro denominated) increased in 2020 versus 2019, explained by an increase in remuneration for two members and a higher fair value of the Value Creation Stake.

The total remuneration and associated costs of the Management Board and other key management personnel (members of the Executive Committee) is specified as follows:

Remuneration key management personnel

in thousands of US\$	Base salary	STI ¹	Sharebased compensation ²	Other ³	Pensions ⁴	Total remuneration
Management Board Members						
2020	3,002	3,094	6,177	514	814	13,601
2019	2,651	2,532	6,513	439	713	12,848
Other key personnel⁵						
2020	2,514	427	1,492	564	204	5,201
2019	2,254	1,028	1,170	1,358	130	5,940
Total 2020	5,516	3,522	7,669	1,078	1,018	18,803
Total 2019	4,905	3,560	7,683	1,798	842	18,789

1 For the Management Board this represents the actual STI approved by the Supervisory Board, which has been accrued over the calendar year, payment of which will be made in the following year.

2 This share-based compensation represents the period expense of share-based payments in accordance with IFRS 2.

3 Consisting of social charges, lease car expenses, and other allowances.

4 This represents company contributions to defined contribution pension plans; in case of absence of a qualifying pension scheme such contribution is paid gross, withholding wage tax at source borne by the individuals.

5 The definition of 'Other key personnel' is aligned with the Executive Committee, as disclosed on the Company's website.

The table above represents the total remuneration in US dollar, being the reporting currency of the Company.

The following table represents the movements during 2020 of all unvested shares of (former) Management Board members (the total number of vested shares held by (former) Management Board members are reported in note 4.3.23 Equity Attributable to Shareholders). Unvested 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 is shown for the actual number as per the outcome of the performance criteria as per the Remuneration Policy. As at December 31, 2020 there are no share-based incentives outstanding:

Shared-based incentives	Outstanding at the beginning of period	Granted	Vested	Outstanding at the end of period
2020	247,689	-	247,689	-
2019	574,062	-	326,373	247,689

SHORT-TERM INCENTIVE PROGRAM OF THE MANAGEMENT BOARD

The Short-Term Incentive Program is based upon the short-term operational performance, which includes three sets of Performance Indicators as noted below:

- Profitability;
- Growth;
- Health, Safety, Social and Environment (HSSE).

The Supervisory Board may adjust the outcome of the STI down by 10%. Any such adjustment would be reported in the Remuneration Report. No such reduction has been made for 2020 or 2019.

For 2020 (equal to 2019), the Supervisory Board concluded that the Company's performance indicators had outcomes ranging from below threshold to maximum. For the year 2020 a total of seven performance indicators were established (2019: seven). The Company's performance resulted in performance of 122% (2019: 115%) of salary for the CEO and 92% (2019: 86%) for the other Management Board members.

VALUE CREATION STAKE SHARES OF THE MANAGEMENT BOARD

Under the Remuneration Policy 2018, the members of the Management Board are entitled to a Value Creation Stake, being a number of shares determined by a four-year average share price (volume weighted). These shares vest immediately upon the award date, and must be retained for five years from the vesting date, or – in the event of retirement or termination – two years after such event.

Number of issued shares	2020	2019
Total 2020	324,875	320,330

The number of shares granted is based upon 175% of the individual's base salary and determined by the 4-year average volume-weighted share price (VWAP) over the years 2016 through 2019 (2019: 2015 through 2018), being EUR14.16 (2019: EUR12.92). The fair value of these shares upon issue was EUR16.74, being the opening share price of January 2, 2020 (2019: EUR 12.67). For the additional Value Creation Stake shares granted following the decision on the salary increase of two Management Board members the fair value upon issue was EUR15.65, being the opening share price of November 12, 2020.

RESTRICTED SHARE UNIT (RSU) PLANS

The number of shares granted under the RSU plan in 2020 was 638,780 (2019: 601,200), with the three year employment period starting on January 1, 2020 (2019: January 1, 2019).

The annual RSU award is based on individual performance. The RSU plans themselves have no performance condition, only a service condition, and will vest at the end of three years continuing service. The fair value is determined based on the share price at the grant dates, with an adjustment for the present value of the expected dividends during the vesting period.

	2020	2019
RSU grant date fair value per share	€ 10.41	€ 11.80

For RSUs, an average annual forfeiture percentage (based on expectations on for example the number of employees leaving the Company before the vesting date of their respective RSU plan) of 5% is assumed. The Company periodically reviews this estimate and aligns to the actual forfeitures.

OWNERSHIP SHARES

Ownership Shares is an annual award in shares to compensate the overall STI target reduction of 3-6% of annualized gross salary under the Company's 2019 STI plan awarded to employees based on seniority. The Ownership Shares have no performance conditions, only a service condition. The Ownership Shares are subject to a three-year holding requirement after the grant date. This means that a fixed population of onshore employees, based on seniority in the Company, are eligible to the Ownership Shares equal to 4-8% of annualized gross salary.

The total number of Ownership Shares that vested during 2020 was 95,681 shares (2019: 113,877). The fair value of the Ownership Shares is measured at the opening share price of April 1, 2020.

	2020	2019
Ownership Shares grant date fair value per share	€ 11.78	€ 14.08