



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

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