



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

3 GOVERNANCE

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, 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.

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 2021

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 2021, the Reference Group consisted of:¹²

¹² Due to changes such as bankruptcy and delisting Noble Corporation and Superior Energy Services are no longer part of the reference group. In 2021 the reference group consisted of 12 companies. Under RP 2022, the reference group has changed. Please be referred to the policy text of RP 2022 for details.

Arcadis	IMI	RPS Group
Boskalis	Oceaneering International	Transocean
Fugro	Petrofac	Vopak
Helmerich & Payne	RPC Inc	Wood Group

Also in 2021, the Supervisory Board assessed the Management Board's remuneration in relation to the Reference Group's pay levels, revenue and market capitalization, mostly as part of the preparation of implementing RP 2022.

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.

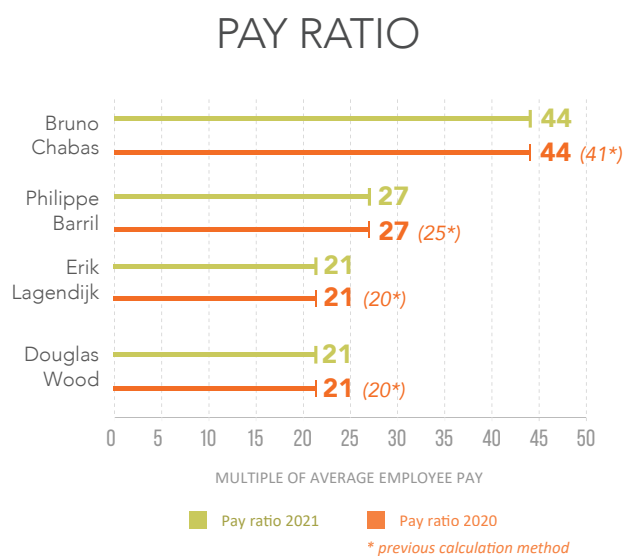
PAY RATIO

The Supervisory Board also includes internal pay ratios when assessing Management Board pay levels.¹³ Per 2021, the Monitoring Committee of the Dutch Corporate Governance Code has set guidelines regarding the calculation of the internal pay ratio. In line with the guidelines, SBM Offshore has changed the calculation on two items: (i) contractors with an employment for at least 3 months are now included in the calculation and (ii) the average employee costs are calculated based on FTE

¹³ 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 and contractor expenses for a given year (excluding employees working for non consolidated JVs and associates).

rather than headcount. The average total employee and contractor costs per FTE in 2021 was EUR103 thousand.

The pay-ratio's of each of the Management Board members over 2021 and 2020 are displayed in the following graph (whereas also for 2020 the new calculation method was applied).



TOTAL REMUNERATION OVERVIEW

The table below provides you with insight in the costs for SBM Offshore for Management Board reward in 2021 (based on RP 2018). The table below presents an overview of the remuneration of the Management Board members who were in office in 2021.

in thousands of EUR	Bruno Chabas		Philippe Barril		Erik Lagendijk		Douglas Wood		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Base salary	960	960	634	634	518	518	518	518	2,630	2,630
STI	1,279	1,176	633	582	517	475	517	475	2,946	2,708
Value Creation Stake	1,797	1,965	1,186	1,311	968	1,062	968	1,071	4,919	5,408
Pensions	294	296	158	158	129	129	129	129	710	712
Other	250	213	188	154	45	39	50	44	533	450
Total expense for remuneration	4,580	4,610	2,799	2,839	2,177	2,223	2,182	2,237	11,738	11,908
in thousands of US\$	5,416	5,265	3,310	3,243	2,575	2,539	2,581	2,555	13,883	13,601

1. BASE SALARY

The 2021 and 2020 Base Salary levels of the Management Board members are shown both in the table at the beginning of section: Management Board Remuneration in 2021 and in the table Remuneration of the Management Board by member in section 3.4.3.

2. SHORT-TERM INCENTIVE

For 2021, 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 2021 table in section 3.4.3.

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PERFORMANCE REALIZATION*

	PERFORMANCE MEASURE	RELATIVE WEIGHTING	WEIGHTED PERFORMANCE
PROFITABILITY	Underlying directional EBITDA	50%	75%
GROWTH	Order intake FPSO, NES	30%	38%
SUSTAINABILITY PERFORMANCE	T1/T2 incidents, Mass of gas flared under SBM Offshore account, TRIFR and SDG target completion	20%	20%
TOTAL		100%	133%

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

Profitability performance reached the maximum threshold of 150% with an underlying directional EBITDA of US\$931 million against target level of US\$920 million. Growth performance, measured as order intake FPSO and NES resulted in a performance of 125% which is between target and maximum. Sustainability performance performed slightly above target at 104%. The overall weighted performance of the CEO is 133% and for the other Management Board members the performance is 75% thereof (100%).

The actual shareholdings of the Management Board members per the end of 2021, 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.

3. VALUE CREATION STAKE

The Supervisory Board decided to grant the Value Creation Stake for 2021 to the Management Board members in accordance with RP 2018. The underpin test as explained in section 3.4.1 was applied to this grant. 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.

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, 2021.

	Shares subject to conditional holding requirement	Other shares	Total shares at 31 December 2021	Total shares at 31 December 2020
Bruno Chabas	366,605	824,465	1,191,070	1,127,604
Philippe Barril	263,184	54,778	317,962	387,826
Erik Lagendijk	179,081	77,549	256,630	222,418
Douglas Wood	181,460	46,856	228,316	194,104
	990,330	1,003,648	1,993,978	1,931,952

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 2021, 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.

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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.

The following table includes further details regarding the various (historical) share plans, including the changes throughout 2021.

Conditions of and information regarding share plans

The main conditions of share award plans					Information regarding the reported financial year			
Specification of plan	Performance period ³	Grant date	Vesting date(s)	End of retention period	Opening balance ¹	During the year		Closing balance ²
					Shares held at the beginning of the year	Shares granted (# / EUR x 1,000) ⁴	Shares vested (# / EUR x 1,000) ⁵	Shares subject to a retention period
Bruno Chabas, CEO								
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	108,279	0 / 0	0 / 0	-
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	85,873	0 / 0	0 / 0	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 ⁶	N/A	01-01-2020	01-01-2020	01-01-2025	65,821	0 / 0	0 / 0	65,821
Value Creation Stake 2021	N/A	01-01-2021	01-01-2021	01-01-2026	-	114,397 / 1,797	114,397 / 1,797	63,466
Philippe Barril, COO								
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	54,778	0 / 0	0 / 0	-
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	54,712	0 / 0	0 / 0	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 ⁶	N/A	01-01-2019	01-01-2019	01-01-2024	58,603	0 / 0	0 / 0	58,603
Value Creation Stake 2020	N/A	01-01-2020	01-01-2020	01-01-2025	54,686	0 / 0	0 / 0	54,686
Value Creation Stake 2021	N/A	01-01-2021	01-01-2021	01-01-2026	-	75,508 / 1,186	75,508 / 1,186	41,891

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 Includes additional Value Creation Stake granted due to salary increase