



**OFFSHORE**

ENERGY. COMMITTED.

# ANNUAL REPORT 2021

## 3 GOVERNANCE

### 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 <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>								
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 <sup>6</sup>	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
<b>Philippe Barril, COO</b>								
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 <sup>6</sup>	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

The main conditions of share award plans					Information regarding the reported financial year			
					Opening balance <sup>1</sup>	During the year		Closing balance <sup>2</sup>
Specification of plan	Performance period <sup>3</sup>	Grant date	Vesting date(s)	End of retention period	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
Erik Lagendijk, CGCO								
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	42,122	0 / 0	0 / 0	
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	42,936	0 / 0	0 / 0	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
Value Creation Stake 2020	N/A	01-01-2020	01-01-2020	01-01-2025	35,498	0 / 0	0 / 0	35,498
Value Creation Stake 2021	N/A	01-01-2021	01-01-2021	01-01-2026	-	61,667 / 968	61,667 / 968	34,212
Douglas Wood, CFO								
Restricted Shares	N/A	01-10-2016	01-10-2019	01-10-2021	15,265	0 / 0	0 / 0	
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	31,591	0 / 0	0 / 0	-
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	42,936	0 / 0	0 / 0	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	35,554	0 / 0	0 / 0	35,554
Value Creation Stake 2021	N/A	01-01-2021	01-01-2021	01-01-2026	-	61,667 / 968	61,667 / 968	34,212
Peter van Rossum, former CFO								
2016 LTI	2016-2018	10-03-2016	09-04-2019	09-04-2021	31,580	0 / 0	0 / 0	-
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	4,174	0 / 0	0 / 0	4,174
					1,104,338	313,239 / 4,919	313,239 / 4,919	994,504

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

### 3 GOVERNANCE

The purpose of this table is to show actual total remuneration of Management Board members during the reported financial year. It includes the STI 2021. 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. 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.

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

in thousands of EUR		Fixed remuneration		Variable remuneration						
Name of Director, Position	Year	Base salary	Other benefits	STI <sup>1</sup>	LTI	Value Creation Stake <sup>2</sup>	Extra-ordinary Items <sup>3</sup>	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
Bruno Chabas, CEO	2021	960	250	1,279	-	1,797	-	294	4,580	33% / 67%
	2020	960	213	1,176	2,112	1,965	-	296	6,721	22% / 78%
Philippe Barril, COO	2021	634	188	633	-	1,186	-	158	2,799	35% / 65%
	2020	634	154	582	1,056	1,311	-	158	3,895	24% / 76%
Erik Lagendijk, CGCO	2021	518	45	517	-	968	-	129	2,177	32% / 68%
	2020	518	39	475	1,056	1,062	-	129	3,278	21% / 79%
Douglas Wood, CFO	2021	518	50	517	-	968	-	129	2,182	32% / 68%
	2020	518	44	475	1,056	1,071	-	129	3,293	21% / 79%
Peter van Rossum, former CFO	2021	-	-	-	-	-	-	-	-	-
	2020	-	-	-	103	-	-	-	103	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.

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.

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

in thousands of EUR, except company's performance						
Annual Change <sup>1</sup>	2016	2017	2018	2019	2020	2021
Bruno Chabas, CEO	4,039	30% / 5,749	5% / 6,037	4% / 6,293	6% / 6,721	(47%) / 4,580
Philippe Barril, COO	1,192	26% / 1,602	61% / 4,100	(2%) / 4,030	(3%) / 3,895	(39%) / 2,799
Erik Lagendijk, CGCO	812	27% / 1,118	61% / 2,869	10% / 3,174	3% / 3,278	(51%) / 2,177
Douglas Wood, CFO	218	82% / 1,233	36% / 1,941	43% / 3,422	(4%) / 3,293	(51%) / 2,182
Peter van Rossum, former CFO	2,368	(26%) / 1,877	(114%) / 878	(45%) / 607	(491%) / 103	-
Company's performance						
Underlying Directional EBITDA in million US\$	778	3% / 806	(3%) / 784	6% / 832	16% / 992	(7%) / 931
TRIFR <sup>2</sup>	0.31	(63%) / 0.19	(6%) / 0.18	(38%) / 0.13	(30%) / 0.10	(67%) / 0.06
Average employee expenses on a full-time equivalent basis						
Average employee expenses of the Company <sup>3</sup>	112	6% / 119	(6%) / 113	3% / 117	(3%) / 114	(11%) / 102

1 Annual change in percentage is calculated comparative to the amount of the current year.

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

3 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. This calculation has a different basis than the pay-ratio calculation in accordance with the Dutch corporate governance code.

For more information on the actual performance of the STI 2021, reference is made to 3.4.2 under Short-Term Incentive.

#### Performance STI 2021

Performance measure	Salary	Relative Weighting	Threshold	Target	Maximum	Actual performance	Actual in % of base salary	
Profitability								
Underlying directional EBITDA			US\$ 840M	US\$ 880M	US\$ 920M	US\$ 931M	150%	
Corresponding awards in €	Bruno Chabas, CEO	960,000	50%	€ 240,000	€ 480,000	€ 720,000	€ 720,000	150%
	Philippe Barril, COO	633,650		€ 118,809	€ 237,619	€ 356,428	€ 356,428	113%
	Erik Lagendijk, CGCO	517,500		€ 97,031	€ 194,063	€ 291,094	€ 291,094	113%
	Douglas Wood, CFO	517,500		€ 97,031	€ 194,063	€ 291,094	€ 291,094	113%
Growth								
Order intake FPSO, NES			SBM Offshore does not disclose order intake details as this is considered market sensitive information					
Corresponding awards in €	Bruno Chabas, CEO	960,000	30%	€ 144,000	€ 288,000	€ 432,000	€ 360,000	125%
	Philippe Barril, COO	633,650		€ 71,286	€ 142,571	€ 213,857	€ 178,220	94%
	Erik Lagendijk, CGCO	517,500		€ 58,219	€ 116,438	€ 174,656	€ 145,551	94%
	Douglas Wood, CFO	517,500		€ 58,219	€ 116,438	€ 174,656	€ 145,551	94%
Sustainability								
T1/T2 incidents, Mass of gas flared under SBM account, TRIFR and SDG target completion			Target T1/T2 LOPC Events = 3; Target mass of gas flared under SBM account (MMscft/day) (average per unit) = 1.6; Target TRIFR = 0.18; Target SDG #3, #4, #7, #8, #9, #13, #14 Completion at 100%					
Corresponding awards in €	Bruno Chabas, CEO	960,000	20%	€ 96,000	€ 192,000	€ 288,000	€ 199,440	104%
	Philippe Barril, COO	633,650		€ 47,524	€ 95,048	€ 142,571	€ 98,725	78%
	Erik Lagendijk, CGCO	517,500		€ 38,813	€ 77,625	€ 116,438	€ 80,629	78%
	Douglas Wood, CFO	517,500		€ 38,813	€ 77,625	€ 116,438	€ 80,629	78%
Total pay out on STI	Bruno Chabas, CEO	960,000		€ 480,000	€ 960,000	€ 1,440,000	€ 1,279,440	133%
	Philippe Barril, COO	633,650		€ 237,619	€ 475,238	€ 712,856	€ 633,373	100%
	Erik Lagendijk, CGCO	517,500		€ 194,063	€ 388,125	€ 582,188	€ 517,274	100%
	Douglas Wood, CFO	517,500		€ 194,063	€ 388,125	€ 582,188	€ 517,274	100%

## 3 GOVERNANCE

### 3.4.4 SUPERVISORY BOARD REMUNERATION POLICY

The Supervisory Board 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 Company's strategy revolves around the themes Optimize, Transform and Innovate. The Optimize pillar is 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. The full version of the remuneration policy for the Supervisory Board as approved by the 2020 AGM is available on the Company website.

#### FEE LEVEL AND STRUCTURE

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

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.

No share-based remuneration is granted to the members of the Supervisory Board.

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

#### LOANS

SBM Offshore does not provide loans, advances or guarantees (and/or securities) to the members of the Supervisory Board.