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ANNUAL REPORT 2021

4 FINANCIAL INFORMATION 2021

versus 2020, explained by a lower valuation of the Value Creation Stake mainly offset by a higher STI. The Management Board's remuneration in US\$ increased by US\$282 thousand due to the change in foreign currency conversion.

The increased remuneration of other key personnel is mainly related to the addition of an additional member of the Executive Committee, it now has 7 members (2020: 6).

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						
2021	3,109	3,486	5,818	630	840	13,883
2020	3,002	3,094	6,177	514	814	13,601
Other key personnel⁵						
2021	2,757	836	1,637	601	368	6,198
2020	2,514	427	1,492	564	204	5,201
Total 2021	5,866	4,341	7,455	1,231	1,209	20,082
Total 2020	5,516	3,522	7,669	1,078	1,018	18,803

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 2021 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). As at December 31, 2021 there are no share-based incentives outstanding:

Shared-based incentives	Outstanding at the beginning of period	Granted	Vested	Outstanding at the end of period
2021	-	-	-	-
2020	247,689	-	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;
- Sustainability Performance.

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 2021 or 2020.

For 2021 (equal to 2020), the Supervisory Board concluded that the Company's performance indicators had outcomes ranging from threshold to maximum. For the year 2021 a total of seven performance indicators were established (2020: seven). The Company's performance resulted in performance of 133% (2020: 122%) of salary for the CEO and 100% (2020: 92%) 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	2021	2020
Total	313,239	324,875

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 2017 through 2020 (2020: 2016 through 2019), being EUR14.69 (2020: EUR14.16). The grant date fair value of these shares upon issue was EUR15.71, being the opening share price of January 3, 2021 (2020: EUR16.74).

RESTRICTED SHARE UNIT (RSU) PLANS

The number of shares granted under the RSU plan in 2021 was 754,450 (2020: 638,780), with the three year employment period starting on January 1, 2021 (2020: January 1, 2020).

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.

	2021	2020
RSU grant date fair value per share	€ 11.89	€ 10.41

For RSUs, a vesting probability (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 2021 was 90,189 shares (2020: 95,681). The fair value of the Ownership Shares is measured at the opening share price of February 1, 2021.

	2021	2020
Ownership Shares grant date fair value per share	€ 14.21	€ 11.78

MATCHING SHARES

Under the STI plans for the management and staff of the Company, 20% of the STI is or can be paid in shares. Subject to a vesting period of four years, an identical number of shares (matching shares) will be issued to participants, assuming a probability of 95%. The Company periodically reviews this estimate and aligns to the actual forfeitures. The grant date fair value is measured indirectly based on the grant date price of the equity instrument, with an adjustment for the present value of the expected dividends during the vesting period.

The assumptions included in the calculation for the matching shares are:

	2021	2020
Matching shares grant date fair value per share	€ 13.40	€ 10.75