

# 2022 ANNUAL REPORT



TRUE.  
BLUE.  
TRANSITION.

## 3 GOVERNANCE

### 3. VALUE CREATION STAKE

The Supervisory Board decided to grant the Value Creation Stake for 2022 to the Management Board members in accordance with RP 2022. The underpin test as explained in section 3.4.1 was applied to this grant. As per RP 2022, 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.

The actual shareholdings of the Management Board members at the end of 2022, 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.

### 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 at December 31, 2022.

	Shares subject to conditional holding requirement	Other shares	Total shares at 31 December 2022	Total shares at 31 December 2021
Bruno Chabas	344,526	910,338	1,254,864	1,191,070
Douglas Wood	174,217	89,792	264,009	228,316
Øivind Tangen <sup>1</sup>	34,938	94,854	129,792	79,300
Philippe Barril <sup>2</sup>	n/a	n/a	n/a	317,962
Erik Lagendijk <sup>3</sup>	n/a	n/a	n/a	256,630
<b>Total</b>	<b>553,681</b>	<b>1,094,984</b>	<b>1,648,665</b>	<b>2,073,278</b>

<sup>1</sup> Management Board member since April 6, 2022

<sup>2</sup> Management Board member until August 31, 2022

<sup>3</sup> Management Board member until April 6, 2022

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 2022, including a car allowance, a housing allowance (Bruno Chabas, Philippe Barril and Øivind Tangen) as well as school fees and settling-in costs (Øivind Tangen). 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.

### 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 2022 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 2022.

## 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
Bruno Chabas, CEO								
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	85,873	0 / 0	0 / 0	-
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	63,466	0 / 0	0 / 0	63,466
Value Creation Stake 2022	N/A	01-01-2022	01-01-2022	01-01-2027	-	114,989 / 1,512	114,989 / 1,512	63,794
Douglas Wood, CFO								
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	42,936	0 / 0	0 / 0	-
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	34,212	0 / 0	0 / 0	34,212
Value Creation Stake 2022	N/A	01-01-2022	01-01-2022	01-01-2027	-	61,986 / 815	61,986 / 815	34,389
Additional Value Creation Stake 2022 <sup>7</sup>	N/A	06-04-2022	06-04-2022	06-04-2027	-	2,352 / 36	2,352 / 36	1,304
Øivind Tangen, COO								
Ownership Shares 2021	N/A	01-01-2021	01-01-2021	01-01-2024	1,293	0 / 0	0 / 0	1,293
Ownership Shares 2022	N/A	01-01-2022	01-01-2022	01-01-2025	-	0 / 0	0 / 0	1,572
Value Creation Stake 2022 <sup>8</sup>	N/A	06-04-2022	06-04-2022	06-04-2027	-	45,981 / 695	45,981 / 695	32,073

<sup>1</sup> Opening balance consists of both shares held and unvested grants for conditional plans at assumed maximum target.

<sup>2</sup> 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.

<sup>3</sup> Performance period always refers to a full year.

<sup>4</sup> Converted at the share price at the date of grant.

<sup>5</sup> Converted at the share price at the date of vesting

<sup>6</sup> Includes additional Value Creation Stake granted due to salary increase

<sup>7</sup> Additional Value Creation Stake granted due to salary increase.

<sup>8</sup> Pro-rata VCS following appointment to Management Board per April 6, 2022

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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
Philippe Barril, former CTO								
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	54,712	0 / 0	0 / 0	-
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	N/A	01-01-2019	01-01-2019	01-01-2024	58,603	0 / 0	0 / 0	58,603
Value Creation Stake 2020 <sup>6</sup>	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
Value Creation Stake 2022	N/A	01-01-2022	01-01-2022	01-01-2027	-	75,899 / 998	75,899 / 998	42,107
Erik Lagendijk, former CGCO								
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	42,936	0 / 0	0 / 0	-
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 <sup>6</sup>	N/A	01-01-2020	01-01-2020	06-04-2024	35,498	0 / 0	0 / 0	35,498
Value Creation Stake 2021	N/A	01-01-2021	01-01-2021	06-04-2024	-	61,667 / 968	61,667 / 968	34,212
Value Creation Stake 2022	N/A	01-01-2022	01-01-2022	06-04-2024 <sup>7</sup>	-	16,303 / 214	16,303 / 214	8,982
Peter van Rossum, former CFO								
2017 LTI	2017-2019	09-02-2017	08-04-2020	08-04-2022	4,174	0 / 0	0 / 0	-
					919,694	456,257 / 6,444	456,257 / 6,444	949,387

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.

7 Two years after retirement date.

The purpose of this table is to show actual total remuneration of Management Board members during the reported financial year. It includes the STI 2022. 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	2022	960	231	816	-	1,512	-	297	3,815	39% / 61%
	2021	960	250	1,279	-	1,797	-	294	4,580	33% / 67%
Douglas Wood, CFO	2022	537	42	342	-	850	-	134	1,906	37% / 63%
	2021	518	50	517	-	968	-	129	2,182	32% / 68%
Øivind Tangen, COO	2022	558 <sup>4</sup>	346	256	-	695	-	121	1,975	52% / 48%
	2021									
Philippe Barril, former CTO	2022	516	106	269	-	998	-	106	1,995	36% / 64%
	2021	634	188	633	-	1,186	-	158	2,799	35% / 65%
Erik Lagendijk, former CGCO	2022	225	13	87	-	214	-	34	572	47% / 53%
	2021	518	45	517	-	968	-	129	2,177	32% / 68%

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.

4 Including unwinding of rights as employee prior to Management Board nomination

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>	2017	2018 <sup>2</sup>	2019 <sup>2</sup>	2020 <sup>2</sup>	2021	2022
Bruno Chabas, CEO	5,749	5% / 6,037	4% / 6,293	6% / 6,721	(47%) / 4,580	(20%) / 3,815
Douglas Wood, CFO	1,233	36% / 1,941	43% / 3,422	(4%) / 3,293	(51%) / 2,182	(15%) / 1,906
Øivind Tangen, COO	-	-	-	-	-	1,975
Philippe Barril, former CTO	1,602	61% / 4,100	(2%) / 4,030	(3%) / 3,895	(39%) / 2,799	(40%) / 1,995
Erik Lagendijk, former CGCO	1,118	61% / 2,869	10% / 3,174	3% / 3,278	(51%) / 2,177	(280%) / 572
Peter van Rossum, former CFO	1,877	(114%) / 878	(45%) / 607	(491%) / 103	-	-
<b>Company's performance</b>						
Underlying Directional EBITDA in million US\$	806	(3%) / 784	6% / 832	19% / 992	(7%) / 931	8% / 1,010
TRIFR <sup>3</sup>	0.19	(6%) / 0.18	(38%) / 0.13	(30%) / 0.10	(67%) / 0.06	50% / 0.12
<b>Average employee expenses on a full-time equivalent basis</b>						
Average employee expenses of the Company <sup>4</sup>	119	(6%) / 113	3% / 117	(3%) / 114	(11%) / 102	8% / 111

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

2 2018 – 2020 impacted by transition from RP15 ( delayed LTI vesting) to RP18 (immediate VCS vesting and a holding period)

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

4 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.

### 3 GOVERNANCE

For more information on the actual performance of the STI 2022, reference is made to 3.4.2 under Short-Term Incentive.

#### Performance STI 2022

Performance measure	Salary	Relative Weighting	Threshold	Target	Maximum	Actual performance	Actual in % of base salary
<b>Profitability</b>							
Underlying directional EBITDA		30%	US\$ 900M	US\$ 930M	US\$ 960M	US\$ 1010M	150%
Project Performance		20%	SBM Offshore does not disclose project performance details as this is considered market sensitive information				
Corresponding awards in €	Bruno Chabas, CEO	960,000	€ 240,000	€ 480,000	€ 720,000	€ 476,160	99%
	Douglas Wood, CFO	537,007	€ 100,689	€ 201,378	€ 302,066	€ 199,767	74%
	Øivind Tangen, COO	381,300	€ 71,494	€ 142,987	€ 214,481	€ 141,844	74%
	Philippe Barril, former CTO	422,645	€ 79,246	€ 158,492	€ 237,738	€ 157,224	74%
	Erik Lagendijk, former CGCO	136,568	€ 25,607	€ 51,213	€ 76,820	€ 50,803	74%
<b>Growth</b>							
Order intake FPSO, NES		30%	SBM Offshore does not disclose order intake details as this is considered market sensitive information				
Corresponding awards in €	Bruno Chabas, CEO	960,000	€ 144,000	€ 288,000	€ 432,000	€ 216,000	75%
	Douglas Wood, CFO	537,007	€ 60,413	€ 120,827	€ 181,240	€ 90,620	56%
	Øivind Tangen, COO	381,300	€ 42,896	€ 85,792	€ 128,689	€ 64,344	56%
	Philippe Barril, former CTO	422,645	€ 47,548	€ 95,095	€ 142,643	€ 71,321	56%
	Erik Lagendijk, former CGCO	136,568	€ 15,364	€ 30,728	€ 46,092	€ 23,046	56%
<b>Sustainability</b>							
T1/T2 incidents, Mass of gas flared under SBM Offshore account, TRIFR and SDG target completion		20%	Target T1/T2 LOPC Events=3; Target mass of gas flared under SBM Offshore account (MMscft/day) (average per unit)=1.7; Target TRIFR<0.15; Target SDG #3, #4, #7, #8, #9, #13, #14 Completion at 100%				
Corresponding awards in €	Bruno Chabas, CEO	960,000	€ 96,000	€ 192,000	€ 288,000	€ 123,840	65%
	Douglas Wood, CFO	537,007	€ 40,276	€ 80,551	€ 120,827	€ 51,955	48%
	Øivind Tangen, COO	381,300	€ 28,597	€ 57,195	€ 85,792	€ 36,891	48%
	Philippe Barril, former CTO	422,645	€ 31,698	€ 63,397	€ 95,095	€ 40,891	48%
	Erik Lagendijk, former CGCO	136,568	€ 10,243	€ 20,485	€ 30,728	€ 13,213	48%



Performance measure		Salary	Relative Weighting	Threshold	Target	Maximum	Actual performance	Actual in % of base salary
Total pay out on STI	Bruno Chabas, CEO	960,000		€ 480,000	€ 960,000	€ 1,440,000	€ 816,000	85%
	Douglas Wood, CFO	537,007		€ 201,378	€ 402,755	€ 604,133	€ 342,342	64%
	Øivind Tangen, COO	381,300		€ 142,987	€ 285,975	€ 428,962	€ 243,079	64%
	Philippe Barril, former CTO	422,645		€ 158,492	€ 316,983	€ 475,475	€ 269,436	64%
	Erik Lagendijk, former CGCO	136,568		€ 51,213	€ 102,426	€ 153,639	€ 87,062	64%

### 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
Chair Supervisory Board	120,000
Vice-Chair Supervisory Board	80,000
Member Supervisory Board	75,000
Chair Audit Committee	10,000
Member of the Audit Committee	8,000
Chair of the Appointment and Remuneration Committee dealing with appointment matters	9,000
Chair of the Appointment and Remuneration Committee dealing with remuneration matters	9,000
Member of the Appointment and Remuneration Committee	8,000
Chair 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.