



Attachment 2 to the Agenda of the AGM to be held on 17 April 2014

SBM Offshore N.V. Remuneration Policy 2015

Abbreviations

RP2015:	The Remuneration Policy 2015
RP2011aa:	Remuneration Policy 2011 as amended on 27 June 2012
AGM	Annual General Meeting of Shareholders
A&RC:	Appointment & Remuneration Committee of the Supervisory Board
STI:	Short Term Incentive
LTI:	Long Term Incentive
CSR:	Corporate Social Responsibility
TSR:	Total Shareholder Return
Company	SBM Offshore N.V. and its direct and indirect subsidiary companies including its participations in Joint Ventures

Remuneration governance

RP2015 has been adopted at the AGM of 17 April 2014 and applies to Management Board Members. Any subsequent amendments to it are subject to adoption by the shareholders at a General Meeting. The effective date of RP2015 is 1 January 2015.

Actions of the A&RC are subject in all cases to the approval of the Supervisory Board.

Remuneration principles

The Management Board is responsible for executing the Company's strategy and (annual) Operating Plan. The A&RC ensures that Management Board Members are held accountable for the successful delivery of the Company strategy and (annual) Operating Plan. The performance metrics used in the Company's variable remuneration incentive plans reflect the Company's strategic objectives and key performance indicators.

Whilst RP2015 applies to the Management Board of the Company, its underlying principles are cascaded down to executive management and senior management to ensure alignment between the Management Board and the management levels below the Management Board.

RP2015 is designed based on the following remuneration principles:

	Principle	Description
1.	Competitiveness	Remuneration should be competitive with global peer companies that may compete with the Company for business opportunities and talent.
2.	Flexibility	The remuneration policy should provide flexibility to allow the A&RC, to reward the Management Board in a fair and equitable manner, allowing for discretion and judgement.
3.	Predictability	To function as an incentive tool, the remuneration policy should offer the Management Board Members a reasonable level of predictability of their total remuneration in any given year, subject to performance delivered.
4.	Driving right behaviour	The remuneration policy should drive the right kind of management behaviour, discourage inappropriate risk taking and minimise any gaming opportunity.

5.	Pay for performance	The remuneration policy should pay for performance, taking into account the measurable financial performance of the Company, and the personal performance of individual Management Board Members. Assessing personal performance generally requires judgement and qualitative assessment by the A&RC.
6.	Four pillars	The remuneration policy consists of the following four pillars: (i) Base Salary; (ii) Short Term Incentive; (iii) Long Term Incentive; and (iv) Pension.
7.	Market reference and positioning	The market reference for base salary in RP2015 is no more than the third quartile (above median) of the Peer Group.
8.	Share ownership requirement	The remuneration policy shall foster long term share ownership within the Management Board and alignment of interests with shareholders.
9.	Pension	The pension shall be based on the defined contribution system.
10.	Simplicity	The remuneration policy should be kept as simple, clear and transparent as possible.
11.	Applicable legislation & governance	The remuneration policy is drafted in accordance with Dutch law and corporate governance provisions applicable in the Netherlands. In addition, in the implementation of the remuneration policy, the A&RC takes into account global market practices.

Summary overview of remuneration components

RP2015 consists of the following key elements:

Remuneration Component

Objectives

Base Salary

Fixed cash compensation based on level of responsibility.

- Attraction of top executives
- Reward for effort and delivery of day-to-day responsibilities

Short Term Incentive

Variable reward for performance in the financial year; measured against Performance Targets set at the beginning of the financial year; and paid in cash following the year end.

- Rewards delivery of short-term objectives
- Incentivises superior Company and individual performance

Long Term Incentive

Variable remuneration element paid in Company shares. Vesting of shares is based on meeting 3-year LTI Performance Targets

- Retention of top executives
- Alignment of interests between executives and shareholders
- Reward for sustainable long-term performance

Pension

Defined contribution plan

- Provide competitive post-retirement benefits

Base Salary

General

Base Salaries for the Management Board are determined by the A&RC after consideration of various factors:

- External market benchmark data of the Peer Group (see below) to ensure competitiveness with the market;
- Internal Company relativities to ensure equity and alignment of pay within the Company;
- Responsibilities, relevant experience and required competence of and delivery by individual Members of the Management Board; and
- Company performance and general economic conditions.

In line with the Company's remuneration principles, base salary will not exceed the third quartile of the Peer Group. Each year the A&RC considers whether circumstances justify an adjustment in base salary for individual members of the Management Board within the market-competitive base salary range of the Peer Group.

Peer Group

The A&RC selects a Peer Group that reflects the competitive environment for executive talent in which the Company operates. The A&RC regularly reviews the Peer Group to ensure that the composition remains appropriate. The A&RC may decide to change the composition of the Peer Group if it is no longer deemed appropriate, for example in the case of an acquisition, merger, demerger, delisting or other corporate restructuring, a Peer Group company ceasing to publish relevant or sufficient executive pay data, or if in the reasonable opinion of the A&RC a Peer Group company is no longer a relevant comparator. The basis on which the Peer Group is established may also be changed if, in the reasonable opinion of the A&RC, this is necessary to reflect a change in the business or strategy of the Company such that comparison with an alternative group is warranted. If the Committee considers that changes to the Peer Group will have a material impact on the remuneration principles they will be submitted to the AGM for approval.

The Peer Group consists of similar-sized, based on revenue and market capitalization, global oil and gas services companies. Over 50% of the Peer Group companies are listed in the U.S.A. since the offshore oil and gas services market is mainly concentrated in the U.S.A. The table below shows the current composition of the Peer Group:

Peer Group		
Amec PLC	Foster Wheeler AG	Oceaneering International
Dresser Rand Group	Fugro N.V.	Petrofac LTD
Ensco	McDermott International	Petroleum Geo Services
FMC Technologies	Noble	Wood Group PLC

The Peer Group is used as an external benchmark for determining base salary levels, and for monitoring total remuneration levels.

Short Term Incentive (STI)

STI Opportunity

The STI is designed to reward performance in the financial year, as measured against a number of STI Performance Indicators. At the beginning of each financial year, the A&RC selects the appropriate STI Performance Indicators and sets appropriately demanding and robust Performance Target for the STI Performance Ranges, i.e. the performance below which no pay out will be made (the Threshold), Target performance and the Maximum at which the payout will be capped. The Performance Targets are based on the Company's (annual) Operating Plan and take into account market and investor expectations. Additionally the A&RC sets Personal Performance Targets individually for each Member of the Management Board. The A&RC reviews actual performance against the Performance Targets, where applicable, on the basis of the full year results which are published following the year end.

STI Performance Indicators

The STI is based on 3 sets of performance indicators:

1. Company financial and non-financial Performance Indicators (STI Company Performance Indicators);
2. Personal Performance Indicators (STI Personal Performance Indicators); and
3. Corporate Social Responsibility (CSR) and Quality Multiplier (CSR and Quality Multiplier).

STI Performance Indicators	Prescribed relative weightings
STI Company Performance Indicators:	50% to 75%
<ul style="list-style-type: none"> • Directional revenue • Directional EPS • Directional EBIT margin of any one or more specific business segments • Internal Rate of Return achieved on projects • Sales, General and Administrative expense (SG&A) cost management • Product and Technical Development (P&TD) cost management • Solvency ratio 	
STI Personal Performance Indicators:	
<ul style="list-style-type: none"> • Objectives as appropriate for each individual Member 	25% to 50%
Combined STI Company and Personal Performance Indicators:	100%
CSR and Quality Multiplier:	-/- 10% to + 10%
<ul style="list-style-type: none"> • Dow Jones Sustainability Index • Safety performance • Quality performance 	
Total as percentage of total STI Opportunity	90% to 100%

The A&RC requires flexibility to determine the most appropriate STI Company Performance Indicators from year to year so that it can respond adequately and in a timely manner to the challenges the Company is facing. The A&RC uses a limited number of easily identifiable and quantifiable STI Company Performance Indicators that are aligned with the Strategic Plan and the (annual) Operating Plan of the Company.

Based on a balanced scorecard approach, the A&RC, at the start of each performance year, agrees, from the list above, the STI Company Performance Indicators and their relative weighting. The selected STI Company Performance Indicators, together with their weighting, are considered as commercially sensitive and will be published in the Remuneration Report following the performance year end. Performance against the annual STI Performance Ranges (see below) is considered commercially sensitive information and will therefore not be published.

STI Personal Performance Indicators and their weightings are set at the start of each performance year for each Member of the Management Board individually and assessed at the end of each year. The STI Personal Performance Indicators are linked to the individual Management Board Member's specific area of responsibility and are aligned with the Company's (annual) Operating Plan.

The A&RC will ensure that the STI Company Performance Indicators set for any one year comprise a balanced mix of financial and non-financial indicators. The A&RC will set, annually, appropriately demanding and robust Performance Targets for each of the chosen STI Company Performance Indicators and the STI Personal Performance Indicators, based on the Company's (annual) Operating Plan and taking into account market and investor expectations as well as the economic environment, to ensure that the Members of the Management Board will be appropriately rewarded for the performance achieved.

The combined annual score based on STI Company and Personal Performance Indicators will be modified by between -10% and +10%, based on the company's CSR and Quality Multiplier, without, however, the CSR and Quality Multiplier enabling the total STI opportunity to exceed the maxima set

out in the table below. The A&RC will consider carefully what targets it is appropriate to set for the CSR and Quality Multiplier in all the circumstances.

STI Performance Ranges

Threshold, Target and Maximum STI Opportunities for the Members of the Management Board expressed as a percentage of Base Salary are as follows:

Management Board	Threshold STI	Target STI	Maximum STI
CEO	40%	100%	200%
Other Members of the Management Board	40%	100%	150%

For performance between Threshold and Target or between Target and Maximum, the pay-out is determined on a linear basis.

STI Payout Calculation and Payment

After the end of the year, the A&RC, reviews the STI Company and Personal Performance against the STI Performance Targets and STI Performance Ranges, determines, at its discretion, the applicable CSR and Quality Multiplier and then the overall STI pay-out level. The STI is payable in cash after the publication of the annual financial results for the performance year.

Long Term Incentive (LTI)

LTI Opportunity

The LTI is designed to reward the delivery of longer-term corporate objectives and sustained long-term performance, to align the interests of management with those of the shareholders and to retain top executives.

As explained in more detail below, at the beginning of each year, the A&RC earmarks a Share Pool, determines the proportion thereof that shall be available to the Management Board, selects LTI Performance Indicators and sets LTI Performance Targets.

Each year, upon the publication of the annual results, the A&RC looks back over the (3-year) LTI Performance Period that has just ended and assesses actual performance, by reference to the LTI Performance Targets and Performance Ranges, and determines the number of LTI Shares that will vest for each LTI plan participant.

Share Pool

Each year the Company earmarks a pool of shares (the 'Share Pool') that is to be available for all share based variable pay made to the Members of the Management Board and to all eligible executive managers and senior managers. With respect to each (3-year) LTI performance period, the Share Pool comprises 1% of the Company's outstanding share capital as at 31 December of the year immediately preceding the first year of the performance period. This 1% allocation cannot be exceeded and covers the maximum LTI opportunity for that year and is expressed as a fixed number of shares. The earmarked shares of the Share Pool will not be issued until the time awards actually vest, when in the case of the Management Board, the exact number vesting and being issued will depend on actual performance, as measured by reference to the Performance Targets set for each chosen LTI Performance Indicator and the LTI Performance Ranges.

At the beginning of each (3-year) performance period, the A&RC reserves a portion of the Share Pool for Members of the Management Board as LTI Shares (the 'MB Reserved Shares'). The portion that is reserved is determined having regard to circumstances, including the performance of individuals and their total remuneration as benchmarked to the Peer Group. The MB Reserved Shares with respect to the first performance period of RP2015 is 20% of the Share Pool. This 20% has been determined so as to ensure that the Maximum total remuneration opportunity under RP2011aa, expressed as a percentage of Base Salary, is maintained at the same level at the time of submission of RP2015 to the AGM.

On the basis of the Management Board consisting of four Members, 40% of the MB Reserved Shares is attributable to the CEO and 20% is attributable to each of the other three Management Board Members.

Where any element of the Share Pool created for any given performance period is not fully utilised for the relevant performance period, it will lapse.

LTI Performance Indicators

At the start of each 3-year performance period, the A&RC agrees the LTI Performance Indicators and their relative weighting. The performance indicators are aligned with the Group's Strategic Plan and are selected from the following list:

LTI Performance Indicators	Relative weighting
• Directional EPS	0% to 100%
• Solvency Ratio	0% to 100%
• TSR relative to a peer group or index, such as the OSX Oil Services Philadelphia index, as selected by the A&RC as being appropriate and reasonable	0% to 100%
Total	100%

The performance indicators set, together with their weighting, are considered as commercially sensitive and will therefore be published in the Remuneration Report after the event. In case one of the chosen LTI Performance Indicators is the TSR, TSR vesting shall occur in accordance with the following vesting table whereby the vesting percentages shall apply to the weight attributed by the A&RC to the TSR.

TSR vesting table

Position of the Company's TSR relative to the Peer Group	CEO	Other MB members
Below 25 th percentile	0%	0%
At 25 th percentile	50%	50%
Between 25 th percentile and median	Between 50% and 100% on a straight line basis	Between 50% and 100% on a straight line basis
At median	100%	100%
Between median and maximum	Between 100% and 200% on a straight line basis	Between 100% and 150% on a straight line basis
At maximum	200%	150%

LTI Performance Ranges

Performance ranges are established for each LTI Performance Indicator, as follows:

- Threshold – A level of performance below which no LTI pay-out is made
- Target – A level of performance designed to see sustained long-term performance
- Maximum - A level of performance at which pay-out is capped.

The relationships of Threshold and Maximum LTI opportunities to Target, for the Members of the Management Board, expressed as multiples of Target, are as follows:

Management Board	Threshold LTI	Target LTI	Maximum LTI
CEO	0.4	1.0	2.0
Other Members of the Management Board	0.4	1.0	1.5

Where actual performance is between Threshold and Target or between Target and Maximum, the LTI vesting is determined on a linear basis.

The A&RC will set for each LTI award appropriately demanding and robust Performance Targets taking account the Groups Strategic Plan, the economic environment, market and investor expectations and the level of reward that the Members of the Management Board might receive for the Performance Ranges.

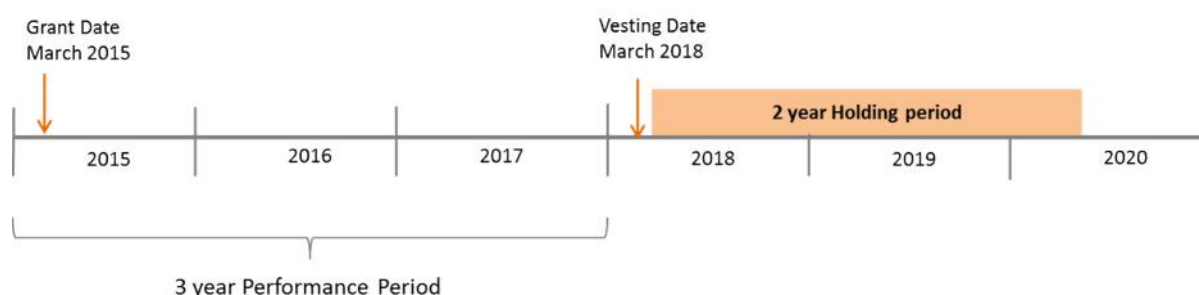
LTI grant and vesting

At the start of the LTI performance period, the A&RC notifies each individual Member of the Management Board of the number of MB Reserved Shares that is earmarked for him or her, assuming at Target performance is achieved.

At the end of the LTI performance period, subject to continued service as a Member of the Management Board, the A&RC assesses, by reference to the Performance Targets set for the chosen LTI Performance Indicators and for the LTI Performance Ranges, the number of LTI Shares that should actually vest. The LTI Shares that vest do so immediately following the AGM at which the annual results of the third performance year are approved. At the vesting date, the Company issues the vested LTI Shares, the ownership of which then rests with the Management Board Member.

The vested LTI Shares are restricted for two years following the vesting date, which means that the Management Board Member is required to retain ownership of the vested LTI Shares during that time. However, Management Board Members are allowed to sell such number of vested LTI Shares as may be required to satisfy taxes levied on the value of the vested LTI Shares. The combined 3-year performance period and 2-year holding period is in line with the relevant best practice provision in the Dutch Corporate Governance Code.

SBM Offshore LTI Plan 2015 at a glance



Share Ownership Requirement

RP2015 sets a Share Ownership Requirement to align the interests of the Management Board with those of the shareholders of the Company. Each Management Board Member will have to build-up the equivalent of a certain multiple of annual base salary and maintain share ownership at that level during the full period of service as a Management Board Member. The required level will be 300% of base salary for the CEO and 200% of base salary for the other Members of the Management Board.

The Management Board is required to retain vested LTI shares in order to attain the defined shareholding level. Any dividends paid out on such vested LTI shares are at the free disposal of the Management Board Member. Unvested LTI shares cannot be taken into account for the purpose of measuring the share ownership requirement.

Leaver Provisions

The application of the leaver provisions shall be determined at the discretion of the A&RC. In principle, in case of early retirement, end of contract, disability or death, any unvested LTI Shares vest pro-rata, with discretion for the A&RC to increase or decrease the final number of LTI Shares vesting up to the maximum LTI opportunity. In the case of resignation or dismissal, any unvested LTI Shares will be forfeited unless the A&RC determines otherwise.

Pensions

Retirement benefits under the defined contribution plan will be set in the context of the base salary for each Member of the Management Board taking into account the relevant country competitive practice, tax and legal environment.

Scenario Analysis

The Dutch Corporate Governance Code requires that the Supervisory Board “shall analyse possible outcomes of the variable income components and the effect on the Managing Board remuneration”. This Scenario Analysis is conducted on an annual basis to test whether the level of remuneration that could be earned at different levels of performance (threshold, target and maximum), and at different Company share price levels (low, average and high growth) is fair and appropriate in the context of value delivered to shareholders. Based on the analysis, the A&RC will use the discretion it has within this policy to ensure individual remuneration is fair and as intended and will, if necessary, recommend amendments to RP2015.

Service Contracts for Members of the Management Board

Each of the Management Board Members has entered into a services contract with the Company, the terms of which have been disclosed in the explanatory notice for the General Meeting of Shareholders at which the Management Board Member was appointed.

Adjustment and Claw-back

The services contracts contain an adjustment clause giving discretionary authority to the A&RC to adjust upwards or downwards the payment of any variable remuneration component conditionally awarded 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. In addition, a claw-back provision is included in the services contracts enabling the Company to recover variable remuneration components on account of incorrect financial data. The provisions of the recently enacted law on the revision and claw-back of bonuses and its provisions related to change of control arrangements will apply.

Under the claw back provisions, STI and LTI awards can be clawed back at the discretion of the A&RC in the event of a misstatement of the results of the Company or an error in determining the extent to which Performance Targets were met.

Severance Arrangements

The A&RC will determine the appropriate severance payment provided that the severance payment will not exceed a sum equivalent to one times annual base salary, or if this is manifestly unreasonable in the case of dismissal during the first appointment term, two times the annual base salary.

Change of Control

The Change of Control clause in the service contract of Management Board Members is in accordance with Dutch company law.