

Attachment 2 to agenda item 6

Proposal for Remuneration Policy for the Management Board (RP 2022)

Annual General Meeting of April 7, 2021



Introduction

- In 2020 new legislation became effective, through the implementation of the EU Shareholder Rights' Directive, containing new rules on remuneration policies for management boards
- As a result, the Company had to re-submit RP 2018 with corresponding changes to vote at the 2020 AGM. The proposal did not receive sufficient support for adoption
- The Supervisory Board now presents a revised remuneration policy for the Management Board ("RP 2022") incorporating the feedback on RP 2018 as provided by shareholders and institutional investors

RP 2018 – current structure

	Element	Details
Base Salary	Fixed component	Level set based on both internal and external relativities
STI	Percentage of Base Salary as short term cash incentive (100% at target for CEO and 75% for other Management Board members)	Identical targets for all Management Board members (based on profitability, growth and HSSE including sustainability)
VCS	Award of locked-in shares: 175% of Base Salary	This award is conditional upon Supervisory Board approval – Immediate vesting plus 5-year holding requirement
Pension	Pension allowance equal to 25% of Base Salary	Management Board members are responsible for their own pension arrangements
Benefits	Benefits include car allowance and health/life insurance	Other benefits depend on individual circumstances and may include a housing allowance

■ RP 2022 - proposal

- Structure of Base Salary, STI and pension compensation remain unchanged
- Changes addressing feedback received on RP 2018 are proposed:
 - LTI:
 - Formulation of clearly defined and observable underpin event;
 - The absence of an underpin event is a condition for the vesting of the LTI
 - The original reference group has been expanded by including the full ISS peer group
- Subject to approval, RP 2022 will be effective from January 1, 2022

RP 2022 - underpin

- Two pillars have been defined when Supervisory Board is considering withholding LTI – in full or in part:
 - Event(s) that threaten long-term continuity of the Company; and
 - Where circumstances of event(s) are/were within control of the incumbent Management Board.

The pillars define the framework for the underpin test

- The underpins are defined as:
 - Safety event resulting in loss of multiple lives and/or significant oil damage to environment and/or loss of an FPSO; and/or
 - Compliance issue resulting in Company being unable to operate in one or more of its primary markets; and/or
 - Significant project impairment due to insufficient oversight or gross negligence or deliberate omissions. This relates to large projects with a value exceeding US\$1 bln
- Anticipating RP 2022, the Supervisory Board already applied the above underpin test prior to the grant of the 2021 VCS

RP 2022 – expanded reference group

- The following overview shows the various ways to look at SBM Offshore’s external benchmark:

Company	RP18 SBMO reference group	2019 ISS reference group	Industry specific peers	European peers	Dutch peers	US & UK peers
Aker BP ASA	○	●	●	●	○	○
Aker Solutions ASA	○	●	●	●	○	○
Arcadis NV	●	●	○	●	●	○
CGG SA	○	●	○	●	○	○
Fugro NV	●	●	○	●	●	○
Helmerich and Payne Inc	●	○	●	○	○	●
Hunting PLC	○	●	●	○	○	●
IMI PLC	●	○	○	○	○	●
John Wood Group PLC	●	○	●	○	○	●
Koninklijke Boskalis Westminster NV	●	●	○	●	●	○
Koninklijke Vopak NV	●	●	●	●	●	○
Lundin Energy AB	○	●	●	●	○	○
Noble Corporation PLC	●	○	●	○	○	●
Oceaneering International Inc	●	○	●	○	○	●
Petrofac Ltd	●	●	●	○	○	●
RPC Inc	●	○	●	○	○	●
RPS Group PLC	●	○	○	○	○	●
Superior Energy Services Inc	●	○	●	○	○	●
Tecnicas Reunidas SA	○	●	●	●	○	○
Transocean Ltd	●	○	●	○	○	●
Tullow Oil PLC	○	●	●	○	○	●
Vallourec SA	○	●	○	●	○	○