



2023 ANNUAL REPORT



3.3 REMUNERATION REPORT

Letter from the Chair of the Appointment and Remuneration Committee for remuneration matters

Dear shareholder,

The Company delivered a good business performance in terms of Profitability, Growth and Sustainability. As a consequence, the Management Board variable compensation (STI) has been awarded accordingly.

Bruno Chabas (CEO) announced his end of term resignation early 2024. The Supervisory Board has appointed as his successor the current COO, Øivind Tangen, who has proven himself and knows the Company well. His base salary has been increased but is set lower than his predecessor and well within the benchmark and the Management Board Remuneration Policy. With the succession, the number of Management Board members goes from three to two.

In the accounting of our implementation of the Management Board Remuneration Policy, we have made some improvements in information and presentation in this report. The presentation on STI targets and performance is more detailed and other tables have been made more concise and accessible. In an outlook paragraph at the end of the report we set out the adjustments in base salaries.

We engage with our shareholders and listen to their input. Our remuneration policies have their full support. We have reviewed the Supervisory Board Remuneration Policy that was approved by the AGM in 2020 with over 99% of the vote. We conclude that the Policy serves its purpose in full and propose only minor changes in our submission to the AGM in 2024.

Pursuant to Dutch law, our Management Board Remuneration Policy must be approved by shareholders every four years and is therefore subject to renewal at the AGM in 2025. In this context, the base salary of Douglas Wood (CFO) will be benchmarked this year. We will seek input from our shareholders on the Remuneration Policy during the course of 2024.

Below you find a full account of our remuneration policies and how we implemented them in 2023. We look forward to engage on this report with you and thank you for your support.

On behalf of the Appointment and Remuneration Committee,

Allard Castelein, Chair for remuneration matters

3.3.1 MANAGEMENT BOARD REMUNERATION POLICY

Introduction

The Remuneration Policy 2022 (RP 2022) became effective January 1, 2022 after being approved by shareholders with 91% of the votes on April 7, 2021. Full details and the principles and rationale for the RP 2022 are available on SBM Offshore's website (ESG/Governance section).

The Company remunerates members of the Management Board for long-term value creation. RP 2022 is based on competitive remuneration aligned with the long-term performance of SBM Offshore. It is built on six reward principles: simplicity, flexibility, predictability, competitiveness, alignment and, most importantly, driving the right results.

This remuneration report has been written in accordance with the EU Shareholder Rights' Directive (SRD II) as implemented in the Netherlands.

Explanation of RP 2022

SBM Offshore believes the oceans will provide the world with safe, sustainable and affordable energy for generations to come. Our mission is to share our

experience to make it happen. We enable the energy transition, leveraging our unique capabilities in floating solutions. In executing our strategy we are guided by our Core Values: Integrity, Care, Entrepreneurship and Ownership.

The underlying principles of the remuneration policy of the Management Board of SBM Offshore N.V. support the vision and ambition and aim for sustainable long-term value creation for the Company through the Value Creation Stake balanced with pay for performance through the Short-Term Incentive (STI).

The Company's strategy revolves around the pillars Environmental, Social and Governance in order to grow in size and create sustainable long-term value. In RP 2022, this is reflected in the STI performance areas of Profitability, Growth and Sustainability performance. Through the STI performance areas, Management Board remuneration is directly linked to the success of the Company and the value delivered to shareholders. Sustainability is an integral part of our strategy, and is explicitly expressed through the Sustainability performance area and also through the underpin test (if applicable) for the Value Creation Stake.

3 GOVERNANCE

REMUNERATION POLICY STRUCTURE MANAGEMENT BOARD

REMUNERATION POLICY		DETAILS
Base Salary	Fixed component	Level set based on both internal and external benchmarks
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 sustainability performance)
Value Creation Stake	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

Employment conditions and pay of the Company's employees within SBM Offshore are taken into account when formulating the remuneration policy, for instance through the internal pay-ratio analysis. Employment conditions for Management Board members may differ from those applicable to employees, also because Management Board members have a service contract rather than an employment relationship. The principles of the remuneration policy are used as a guideline for employment conditions at SBM Offshore as a whole.

The four components of the remuneration package of Management Board members under RP 2022 are: (1) base salary, (2) STI, (3) Value Creation Stake and (4) Pension and Benefits.

1. BASE SALARY

The base salary is set by the Supervisory Board and is a fixed component paid in cash. Depending on internal and external developments such as market movements, the Supervisory Board may adjust base salary levels.

2. SHORT-TERM INCENTIVE

The objective of the STI is to provide a direct alignment of pay with short-term operational performance. Under RP 2022, the STI key performance indicators focus on three performance areas: (i) Profitability, (ii) Growth and (iii) Sustainability Performance. The Supervisory Board, upon the recommendation of the A&RC, determines for each of the performance measures the specific performance targets and their relative weighting at the beginning of the financial year within the following margins for each area:

STI	
PERFORMANCE MEASURES	WEIGHTING
PROFITABILITY	40 - 60%
GROWTH	20 - 40%
SUSTAINABILITY PERFORMANCE	15 - 25%
TOTAL	100%
DISCRETIONARY JUDGEMENT SUPERVISORY BOARD	- 10%

The Supervisory Board will inform the shareholders in the remuneration report of the performance indicators it applies in each financial year. Performance measures will never be adjusted retrospectively.

Performance ranges – threshold, target and maximum – are set for each of the key performance indicators. The STI is set at a target level of 100% of the base salary for the CEO and 75% of the base salary for any other member of the

Management Board. The threshold pay-out is at 0.5 times target and maximum pay-out will not exceed 1.5 times target. A linear pay-out line applies between threshold and maximum. Below threshold, the pay-out is zero. The Supervisory Board may adjust the outcome of the STI down by up to 10%, which adjustment will be reported on in the remuneration report.

At the end of the performance year, the performance is reviewed by the Supervisory Board and the pay-out level is determined. Target setting and realization are published ex post in this remuneration report. For order intake and project performance that are commercially very sensitive a qualitative appraisal will be presented. The STI is payable in cash after the publication of the Annual Report for the performance year.

3. VALUE CREATION STAKE

The Value Creation Stake is an award of restricted shares to create direct alignment with long-term shareholder value. The awarded shares must be held for at least five years. After retirement or termination, the holding period will not be longer than two years. The gross annual grant value for each of the Management Board members is 175% of base salary. The number of shares is determined by a four-year average share price (volume-weighted). The Value Creation Stake has a variable element to the extent that the share price develops during the holding period. The Supervisory Board retains the discretion not to award the Value Creation Stake in case of an underpin event. RP 2022 introduces a clearly defined and observable underpin. The underpin serves as a mechanism to ensure an acceptable threshold level of performance and avoid vesting in case of circumstances as defined as underpin event. The underpin is evaluated each year at moment of vesting and in case the criteria are not met, the entitlement to the Value Creation Stake grant at that time will forfeit.

Two pillars have been defined when Supervisory Board is considering withholding the Value Creation Stake – in full or in part:

- Event(s) that threaten long-term continuity of the Company; and
- Where circumstances of the event(s) are/were within control of the incumbent Management Board.

These two pillars are the umbrella criteria: in case an event does not qualify under these pillars, the underpin test does not come into play. Underpins shall be assessed in determining the amount of Value Creation Stake vesting in a year:

- Safety event resulting in the loss of multiple lives and/or significant oil damage to the environment and/or loss of an FPSO; and/or

- Compliance issue resulting in the 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 billion.

All members of the Management Board are required to build up Company stock of at least 350% of base salary. The value of the share ownership is determined at the date of grant.

4. PENSION AND BENEFITS

In principle, the Management Board members are responsible for their own pension arrangements and receive a pension allowance equal to 25% of their base salary for this purpose.

The Management Board members are entitled to additional benefits, such as a company car allowance, medical and life insurance and (dependent on the personal situation of the Management Board member) a housing allowance and school fees.

KEY ELEMENTS EMPLOYMENT AGREEMENTS

Each of the Management Board members has entered into a four-year service contract with the Company, the terms of which have been disclosed in the explanatory notice of the General Meeting at which the Management Board member was (re-)appointed. Next to his service contract, Bruno Chabas has an employment contract with Offshore Energy Development Corporation S.A.M., in relation to a split pay-out of his remuneration.

Adjustment of remuneration and claw-back

The service contracts with the Management Board members contain an adjustment clause giving discretionary authority to the Supervisory Board to adjust the payment of the STI, 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. However, the Supervisory Board has determined that upward adjustments will not be considered based on earlier shareholder feedback.

A claw-back provision is included in the service contracts enabling the Company to recover the Value Creation Stake, STI and/or LTI (as granted under RP 2015) on account of incorrect financial data.

Severance Arrangements

The Supervisory Board will determine the appropriate severance payment for Management Board members in accordance with the relevant service contracts and

3 GOVERNANCE

Corporate Governance Code. The Corporate Governance Code provides that the severance payment will not exceed a sum equivalent to one times annual base salary. This also applies in a situation of a change in control.

Loans

SBM Offshore does not grant loans, advance payments or guarantees to its Management Board members.

3.3.2 2023 MANAGEMENT BOARD REMUNERATION

The Supervisory Board is responsible for ensuring that the remuneration policy is appropriately applied and aligned with the Company's objectives. The remuneration level is determined by the Supervisory Board using a comparison

with Dutch and international peer companies, as well as internal pay ratios across the Company.

REFERENCE GROUP

In order to determine a competitive base salary level and to monitor total remuneration levels of the Management Board, a reference group of relevant companies in the industry (the 'Reference Group') has been defined. Pay levels of the Management Board members are benchmarked to the Reference Group. In the event a position cannot be bench-marked within the Reference Group, the Supervisory Board may benchmark a position to similar companies. For 2023, the Reference Group consisted of:¹⁷

¹⁷ Compared to RP 2022 the reference group has changed. Due to changes such as bankruptcy and delisting, Boskalis, Superior Energy Services and RPS Group are no longer part of the reference group.

Aker BP ASA	IMI Plc	RPC, Inc.
Aker Solutions ASA	John Wood Group Plc	Tecnicas Reunidas SA
Arcadis NV	Noble Corp. Plc	Transocean Ltd.
CGG	Oceaneering International, Inc.	Tullow Oil Plc
Fugro NV	Orron Energy AB	Vallourec SA
Helmerich & Payne, Inc.	Petrofac Ltd.	
Hunting Plc	Royal Vopak NV	

In 2023, there were no changes in the base salary of the Management Board members.

PAY RATIO

The pay ratio shows the developments in the annual total remuneration of the Management Board members and the average remuneration on a full-time-equivalent basis of employees of the company.¹⁸ The average total employee and contractor costs per FTE in 2023 was EUR136 thousand.

The pay ratios of each of the Management Board members over the period of 2019 to 2023 are displayed in the following graph.

¹⁸ The pay ratio is calculated as the total accounting costs of remuneration for each of the Management Board members expressed as a multiple of the average overall employee benefit and contractor expenses for a given year (excluding employees working for non consolidated JVs and associates).