



EXPERIENCE **MATTERS**

**2016**

ANNUAL REPORT

### 3.4 REMUNERATION REPORT

This report consists of three parts. The first part 3.4.1, describes the remuneration policy for the Management Board. The second part 3.4.2 provides

insight into the actual remuneration paid and awarded to the Management Board members over 2016. Details on the fee structure for the Supervisory Board members are set out in the third part 3.4.3.

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#### Letter from the Chairman of the Remuneration Committee

Dear Shareholders,

The year 2016 presented significant challenges for the Oil and Gas services sector due to the low oil price environment. The Management Board focused on cost management while also continuously looking for ways to deliver more value to our customers. Staffing levels were reduced from just over 6,300 at the beginning of the year to around 4,200 by year end. The Management Board voluntarily proposed a 10% reduction of base pay for a period of 12 months starting per September 2016 as well as a 50% reduction to any 2016 Short-Term Incentive awards. The 50% reduction on the Short-Term Incentive has also been applied to the rest of the organization.

SBM Offshore continues to maintain its core capabilities allowing us to benefit quickly from any improvement in the FPSO market. Our strong balance sheet, positive cash flow, the share re-purchase program and the dividend are hallmarks of financial strength that underscore our pre-eminent position in our industry. The award of the FEED contract for the Liza by ExxonMobil and possible subsequent construct, install and operate contracts, at the very end of 2016, appears a vindication of this policy.

The activities of SBM Offshore are linked to the global oil and gas industry. Consequently, our remuneration policies and practices must be competitive with both European and U.S. practices. The Supervisory Board remains committed to being an attractive employer through all market cycles, including the challenges the industry has faced recently and continues to face.

The SBM Offshore Management Board Remuneration Policy 2015 ('RP 2015') was approved by the General Meeting of Shareholders on April 17, 2014, became effective as of January 1, 2015 and governs all remuneration elements in 2016 with exception of the LTI awards 2014-2016 that vested in 2016. These LTI awards are still governed by the previous Remuneration Policy ('RP2011aa').

In 2017, the Remuneration Policy 2015 will continue to apply. A new remuneration policy will be proposed for shareholder approval at the 2018 AGM (April 11, 2018), applicable as of January 1, 2018.

There were no changes in 2016 to the fee structure of the Supervisory Board.

Management Board target setting for 2017 for short-term and long-term incentives will continue to focus on the Company's financial standing, the final solution of remaining legacy problems and securing new contracts in order to ensure long-term wealth creation.

The Supervisory Board remains committed to transparent and clear remuneration and meeting or exceeding the standardized reporting requirements and recommendations defined in the Shareholders' Rights Directive proposed by the European Commission and the Dutch Corporate Governance Code. I look forward to discussing the remuneration policy, actual remuneration as well as any other questions arising from this report, at the Annual General Meeting on April 13, 2017.

Floris Deckers

Chairman of the Appointment and Remuneration Committee dealing with Remuneration Matters

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### 3.4.1 MANAGEMENT BOARD REMUNERATION POLICY

The Supervisory Board aims at remunerating members of the Management Board in a competitive, flexible and predictable manner. In order to achieve this and to ensure remuneration within SBM Offshore contributes to long-term value creation, a remuneration policy is in place. The current version of the remuneration policy (called RP2015<sup>21</sup>) has been effective as per January 1, 2015, after approval by the Annual General Meeting.

In order to support the Supervisory Board in its responsibilities an Appointment and Remuneration Committee (hereafter A&RC) is in place. The A&RC advises the Supervisory Board regarding remuneration matters and proposes resolutions within the framework of the remuneration policy.

The Remuneration Policy 2015 aims at driving the right behavior and consists of four components: (1) Base Salary, (2) Short-Term Incentive, (3) Long-Term Incentive and (4) Pension and benefits. These components are explained below.

#### 1. BASE SALARY

The Supervisory Board wants base salary levels for Management Board members to reflect the extent of their day-to-day responsibilities and to reward them in their effort in meeting these responsibilities in a competitive manner.

In order to determine a competitive base salary level, the Supervisory Board compares base salary levels of the Management Board with relevant companies in the industry but has also indicated that SBM Offshore does not want to be part of the 25% highest rewarding companies on base salary in the relevant market. The Supervisory Board uses the reference group of relevant companies in the industry (hereafter the Pay Peer Group) not only to

determine base salary levels but also for monitoring total remuneration levels of the Management Board. Base salaries of the Management Board members and the Pay Peer Group are reviewed annually.

#### Reference: Pay Peer Group

The Pay Peer Group consists of a group of companies that reflect the competitive environment for executive talent in which SBM Offshore operates. The companies in the Pay Peer Group are comparable to SBM Offshore in size (revenue and market capitalization), industry (global oil and gas services companies) and in terms of complexity, data transparency and geography. The Pay Peer Group may be changed by the Supervisory Board to reflect a change in the business or strategy. Any changes deemed to have a material impact on remuneration levels will be submitted to the Annual General Meeting for approval.

Two of the companies on the initial list of companies, Amec and Foster Wheeler, have merged and therefore have been replaced by the merged entity Amec Foster. In addition, the Dresser-Rand Group has delisted and has therefore been removed. In 2016, the Supervisory Board concluded that no new additions to the Pay Peer Group are needed. 50% of the Peer Group companies are listed in the U.S. since a large part of the offshore oil and gas services market is concentrated in the U.S.

#### Current Pay Peer Group

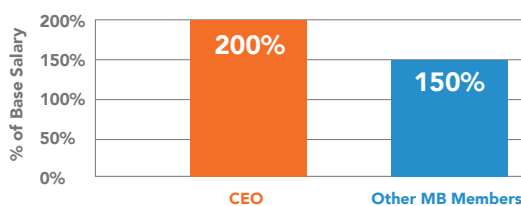
- Amec Foster
- Ensco
- FMC Technologies
- Fugro N.V.
- McDermott International
- Noble Corp.
- Oceaneering International
- Petrofac LTD
- Petroleum Geo Services
- Wood Group PLC

<sup>21</sup> Further details on these principles and rationale for Remuneration Policy 2015 are available for review in the 2014 Annual General Meeting section on SBM Offshore's website.

## 2. SHORT-TERM INCENTIVE

The Supervisory Board uses the Short-Term Incentive (STI) to reward the Management Board for delivering the Company's short-term objectives, as derived from the long term strategy, for a specific year. The following graph shows the maximum STI value that can be attained.

Maximum STI to be attained



In order to reach these maximum values, the Management Board must need to achieve multiple objectives as displayed in the following figure :

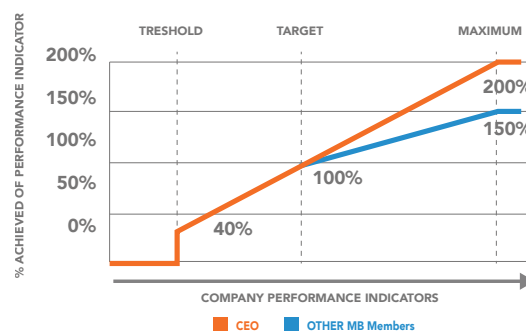


The Company Performance Indicators (1) and Personal Performance Indicators (2) together have a relative weight of 100%. The Corporate Social Responsibility & Quality Multiplier can cause a 10% in- or decrease of the total STI value based on safety and quality performance in combination with

SBM Offshore's Dow Jones Sustainability Index score. In case 100% of the Company and Individual Performance Indicators have been realized, the multiplier will not provide any additional uplift.

At the beginning of each year, the Supervisory Board, at the recommendation of the A&RC, sets the performance indicators and their respective weighting. The chosen performance indicators are based on the Company's operating plan. For each Company Performance Indicator a scenario analysis is performed to determine a threshold, target and maximum level considering market and investor expectations as well as the economic environment. The 'Achievement Range for Company Performance Indicators' graph displays the actual range application for Company Performance Indicators.

Achievement range for Company Performance Indicators



The details around selected Company Performance Indicators and their weightings are deemed commercially sensitive and are therefore unfit for predisclosure. However, SBM Offshore does disclose the selected Performance Indicators applied over the previous year in the Remuneration Report at the end of each performance year. As such, the Company Performance Indicators applicable in 2016 are mentioned in section 3.4.2 of this report.

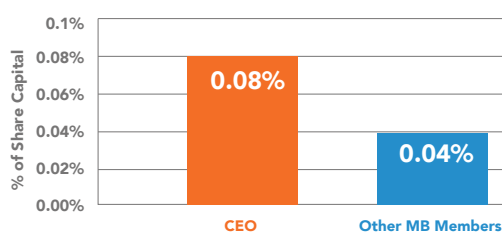
At the end of the year, the A&RC reviews the performance of the Management Board members compared on the chosen Performance Indicators and makes a recommendation to the Supervisory Board to determine the STI pay-out level. The STI is payable in cash after the publication of the annual financial results for the performance year.

### 3. LONG-TERM INCENTIVE

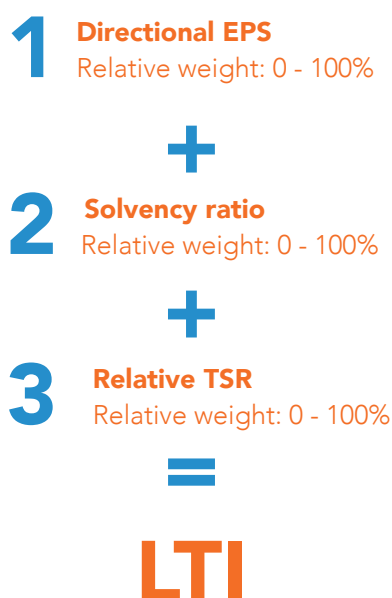
The Supervisory Board uses the Long-Term Incentive (LTI) as a retention instrument and to reward the Management Board for delivering the Company's long-term objectives over a three year period, as derived from the Company's strategy, and as such their contribution to long-term value creation.

The maximum LTI value is determined by the number of shares that can be attained by the Management Board. Each year, on a conditional basis, shares of Company stock (so-called restricted share units) are granted to Management Board members. A share pool of 1% of the Company's share capital (as of year-end prior to the performance period) is available for share based awards for all staff including the Management Board. The Supervisory Board, upon recommendation of the A&RC, determines the proportion of the share pool that shall be available to the Management Board. The current proportion is 20% of which 40% is reserved for the CEO and 20% for each remaining Management Board Member. The graph below shows the maximum LTI value that can be attained.

#### Maximum LTI to be Attained



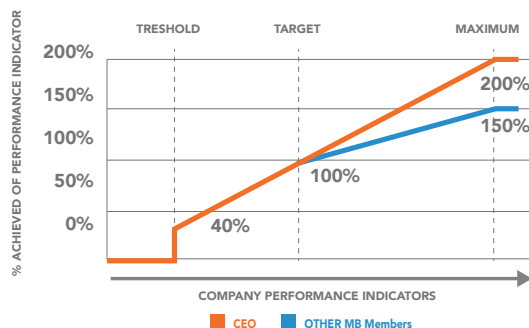
In order to reach these maximum values, the Management Board needs to achieve multiple objectives as are displayed in the following figure.



At the beginning of each year, the Supervisory Board, at the recommendation of the A&RC, chooses one or more of the three performance indicators and determines their respective weighting. For each performance indicator a scenario analysis is performed to determine threshold, target and maximum levels considering market and investor expectations as well as the economic environment.

The following graph displays the actual range application for the performance indicators. This process (i.e the linear approach between threshold, target and maximum) is equal to the STI approach.

#### Achievement Range for LTI Performance Indicators



After the end of each year, the Supervisory Board, at recommendation of the A&RC, assesses the extent to which the chosen LTI Performance Indicators have been met and decides upon the number of shares that will vest. These shares vest after publication of the annual results.

The vested LTI shares are restricted for an additional two years following the vesting date with the exception of those shares that are sold to satisfy taxes levied on the value of the vested LTI shares.

#### 4. PENSION

The Management Board members are responsible to create their own pension arrangements. In order to facilitate this, they receive a pension allowance equal to 25% of their Base Salary. This approach also applies to employees working in the headquarters in the Netherlands. SBM Offshore has chosen not to offer a (global) companywide pension scheme to its employees due to the strong international character of the Company and the fact that pensions are highly regulated by local legislation.

#### OTHER KEY ELEMENTS OF THE MANAGEMENT BOARD REMUNERATION AND EMPLOYMENT AGREEMENTS

##### Adjustment of remuneration and clawback

The service contracts of the Management Board members contain an adjustment clause giving

discretionary authority to the Supervisory Board to adjust upwards or downwards the payment of any variable remuneration component that has been 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 service contracts enabling the Company to recover variable remuneration components on account of incorrect financial data. The provisions of the Dutch regulations on the revision and claw-back of variable remuneration and its provisions related to change of control arrangements apply. Under the claw-back provisions, STI and LTI awards can be clawed back at the discretion of the Supervisory Board, upon recommendation 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 indicators were met.

##### Severance Arrangements

The Supervisory Board, upon recommendation of the A&RC will determine the appropriate severance payment provided it 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. For each Management Board member, the appropriate level of severance payment is assessed in relation to remuneration entitlements in previous roles. As a result, the severance payment in case of termination is set within the boundaries of the Dutch Corporate Governance Code.

In principle, in the case of early retirement, end of contract, disability or death, any unvested LTI shares vest pro-rata, with discretion for the Supervisory Board, to increase or decrease the final number of LTI shares vesting up to the maximum opportunity. In the case of resignation or dismissal, any unvested

LTI shares will be forfeited unless the Supervisory Board determines otherwise.

#### Share Ownership Requirement

Each Management Board member must build-up a specific percentage of base salary in share value in SBM Offshore. For the CEO this level is set at an equivalent of 300% of base salary and for the other Management Board members, the level is set at 200%. The Management Board must retain vested shares in order to acquire the determined shareholding level. An exception is made in case Management Board members wish to sell shares to satisfy tax obligations in relation to LTI shares. Unvested shares do not count towards the requirement.

#### Loans

SBM Offshore does not provide loans or advances to Management Board members and does not issue guarantees to the benefit of Management Board members.

#### Expenses and Allowances

The Management Board members are entitled to a defined set of emoluments and benefits. A general

benefit in this area is the provision of a company car allowance. Other benefits depend on the personal situation of the relevant Management Board members and may include medical and life insurance and a housing allowance.

### 3.4.2 MANAGEMENT BOARD REMUNERATION IN 2016

The Management Board remuneration in 2016 was governed by the Remuneration Policy 2015 with exception of the 2014-2016 LTI awards. These conditional LTI shares were granted in 2014 and are governed by the applicable remuneration policy at that time (Remuneration Policy 2011aa, which addressed the challenges of the turnaround period of the Company).

The actual remuneration over 2016<sup>22</sup> (see below) is set out below in four sections, namely 1. Base Salary, 2. Short-Term Incentive, 3. Long-Term Incentive and 4. Pension.

<sup>22</sup> SBM Offshore pays remuneration and benefits to the Management Board members in euros. For that reason, this report only mentions euros. Further information regarding the Management Board members' remuneration can be found in note 5.3.6 to the consolidated annual financial statements. In line with SBM Offshore's overall financial reporting, the remuneration elements described there are set out in US\$.

#### Remuneration of the Management Board by member

	Bruno Chabas		Peter van Rossum		Douglas Wood		Philippe Barril		Erik Lagendijk		Total	
in thousands of EUR	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Base salary	773	800	537	522	110		532	459	396	410	2,349	2191
STI <sup>1</sup>	708	1,500	379	800	72		379	665	282	575	1,820	3540
LTI	1,247	1,614	705	671	93		618	323	447	180	3,109	2788
Pensions	245	223	151	130	28		138	115	102	102	664	570
Other	159	410	264	235	8		143	358	32	15	605	1,018
<b>Total Remuneration</b>	<b>3,132</b>	<b>4,547</b>	<b>2,037</b>	<b>2,357</b>	<b>310</b>		<b>1,810</b>	<b>1,920</b>	<b>1,259</b>	<b>1,282</b>	<b>8,547</b>	<b>10,106</b>
in thousands of US\$	3,467	5,045	2,254	2,616	343		2,003	2,130	1,394	1,422	9,461	11,213

<sup>1</sup> 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.

#### 1. BASE SALARY

The Supervisory Board decided that Base Salary levels would not change in 2016 compared to 2015. As such no indexation or other increases have taken

place. However the Management Board itself has decided to temporarily reduce their Base Salary with 10% considering the difficult market circumstances and the reduction of the Company's

workforce. This decision is for the period of one year (12 month basis) and was implemented per September 2016. As such a (pro rata) decrease in Base Salary figures is visible in the 'Remuneration of the Management Board' table between 2015 and 2016.

On November 30, 2016, Mr. D.H.M. Wood was appointed as Management Board member and was designated Chief Financial Officer. The annual full year base salary of Mr. Wood in 2016 amounts to EUR 440.000. The voluntary 10% reduction on base salary is not applicable to Mr. Wood as an overall re-assessment of the CFO base salary was done at his appointment.

## 2. SHORT-TERM INCENTIVE

For 2016 the Supervisory Board decided that equal importance would be given to both the Company and Personal Performance Indicators.

### Relative Weight STI performance indicators 2016



In order to create long-term value for SBM Offshore, the Supervisory Board decided that in 2016 special focus would be required on Net Debt and cost reduction given the difficult market circumstances and the ongoing internal restructuring. As such these two items were the Company Performance Indicators for 2016, both carrying a relative weight of 50% (i.e. 25% of total). A scenario analysis of the potential outcomes in relation to the STI was done by the A&RC and subsequently monitored throughout the year.

The Personal Performance Indicators for the Management Board members were related amongst others to aspects such as strategic

workforce planning, compliance training and awareness and implementation of improvement plans.

With regard to the Company Performance Indicators, the Supervisory Board, at recommendation of the A&RC, assessed the delivered results for each performance indicator and has concluded that:

- The results related to the Net Debt Performance Indicator were realized between the set target and maximum values;
- The results related to the cost reduction Performance Indicator were realized at maximum values.

In summary, the Supervisory Board regards the performance under the Company indicators robust. With regard to the Personal Performance Indicators the Supervisory Board, again at recommendation of the A&RC, concluded that the Management Board members dealt with the difficult market circumstances in a capable manner. Examples that substantiate this conclusion are the fact that dividend was paid to shareholders for the first time in five years, a share repurchase program was successfully executed, SBM Offshore improved its risk management system for new projects and good progress was made on remaining legacy projects and the follow-up of Project Yme.

As for the CSR & Quality multiplier, the Supervisory Board assessed that the delivered performance as a whole is best reflected with a neutral outcome in the Short-Term Incentive value (i.e. no down or upward adjustment). The total performance resulted in a STI award of 177% of Base Salary for the CEO and 131%-138% for the other Management Board members.

Early in 2016 the Management Board decided that unadjusted STI outcomes would be undesirable, given the difficult market circumstances, the focus



on cost reduction and the downsizing of the Company as a result of the internal re-structuring. As such the Management Board has decided to accept only 50% of their achieved STI percentages, resulting in a STI award of 89% of Base Salary for the CEO and 66%-69% for the other Management Board members.

### 3. LONG-TERM INCENTIVE

With regard to 2016 three LTI items are of importance, namely: the vesting of LTI granted in 2014 (which vested in 2016), the grant 2016 (which vests in 2018) and the level of share ownership at the end of the year.

#### LTI grant 2014

The 2014 LTI grant was governed by RP2011aa and contained three types of Performance Indicators which are displayed below:



With regard to these Performance Indicators, the Supervisory Board, at recommendation of the A&RC, assessed the delivered results and has concluded that:

- The results related to the Relative TSR were realized between the set target and maximum values;

- The results related to the (published IFRS) EPS were realized at maximum values.

The LTI grant 2014 is the last grant in which the Supervisory Board shall apply the Special Incentive. This incentive was (temporarily) created to properly align management and shareholders' interests, where legacy projects and compliance enhancement are concerned. It basically provides the Supervisory Board with some flexibility to reward the Management Board members for long-term value creation within SBM Offshore that, they believe, has occurred but is not (yet) sufficiently reflected in the other (more financial orientated) Performance Indicators.

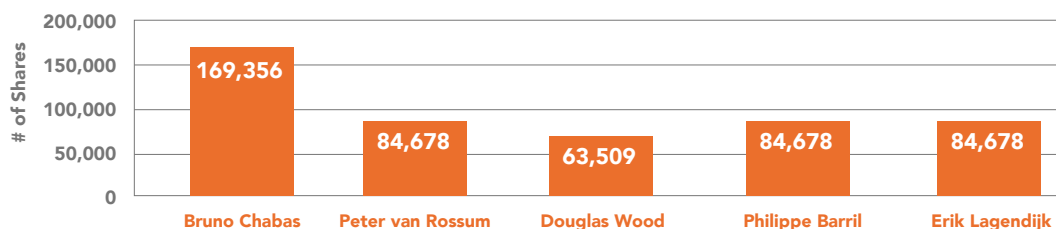
The Supervisory Board decided that the achieved results on both EPS growth and Relative TSR insufficiently reflected the value that the Management Board members added to SBM Offshore since 2014 with regard to the turn-around of Company. Therefore the Supervisory Board applied the Special Incentive in order to award maximum vesting of the LTI grant 2014. The 2014 LTI awards were granted to Mr. B. Chabas, Mr. S. Hepkema and Mr. P. van Rossum as Management Board members at that time.

#### LTI grant 2016

The 2016 LTI grant is governed by RP2015 and the chosen performance indicators and their relative weight will be disclosed in the annual report at the end of the three year performance period.

For the year 2016, the graph 'Maximum LTI Opportunity 2016-2018' displays the conditional (and maximum) share grants that were awarded to the members of the Management Board for the performance period 2016-2018. The number of shares that will actually vest depend on the actual performance against the set targets but will not exceed the maximum numbers displayed below.

## Maximum LTI Opportunity 2016 - 2018



The LTI opportunity of Mr. van Rossum will be pro rated due to his retirement prior to completion of the relevant performance period.

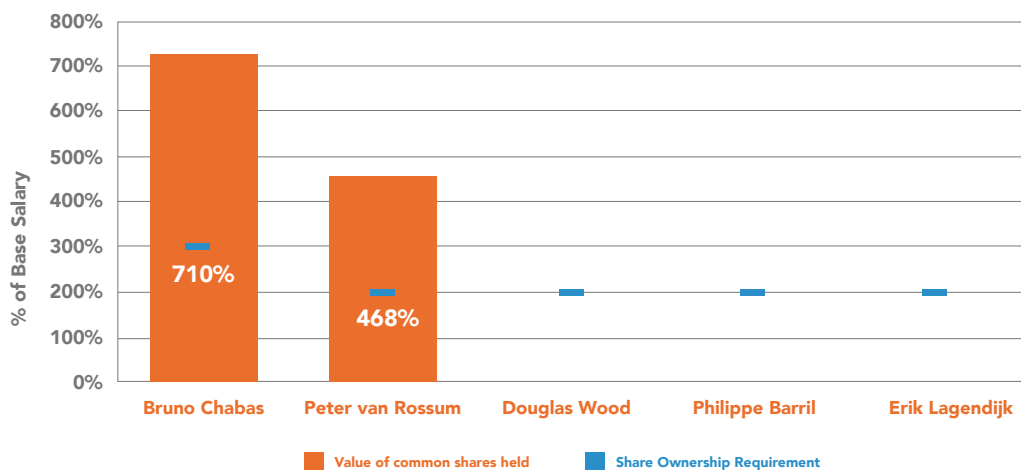
Mr. Wood's LTI opportunity is relatively low due to his recent start at SBM Offshore. In addition to his (pro-rata) LTI opportunity Mr. Wood was granted 30,000 Restricted Share Units upon joining SBM Offshore. This award aims to compensate Mr. Wood for a loss in his variable income at his previous employer.

share value in SBM Offshore. For the CEO this level is set at an equivalent of 300% of base salary and for the other Management Board members, the level is set at 200%. The graph below displays the actual shareholdings of the Management Board members per the end of 2016 in which only common (unconditional) shares are taken into account. Due to their relative recent appointment Mr. Wood, Mr. Lagendijk and Mr. Barril, have not yet met the share ownership requirements.

## Share ownership requirements

As stated above, each Management Board member must build-up a certain percentage of base salary in

## Level of Share ownership per MB member



More details on the share-based incentives are provided in the Appendix on Share-Based Incentives at the end of this Remuneration Report.

#### 4. PENSIONS

Management Board members receive a pension allowance equal to 25% of their base salary for pension purposes. Since these payments are not made to a qualifying pension fund, but to the individuals, the Management Board members are individually responsible for investment of the contribution received and SBM Offshore withholds wage tax on these amounts.

#### OTHER ELEMENTS OF 2016 MANAGEMENT BOARD REMUNERATION

##### Allowances

The Management Board members received several allowances in 2016. Most notable is the car allowance which is received by all and the housing allowance for Mr. Chabas and Mr. Barril. The value of these elements is displayed in the table 'Remuneration of the Management Board by member', at the top of this section.

##### Retirement of Mr. van Rossum

Mr. P.M. van Rossum retired as Management Board member during the extraordinary meeting of shareholders of November 30, 2016 and his contract will end at the Annual General Meeting of April 13, 2017. No severance pay was paid to Mr. van Rossum.

#### 3.4.3 REMUNERATION OF THE SUPERVISORY BOARD

The current remuneration of the Supervisory Board was set at the Extraordinary General Meetings of July 6, 2010 and April 15, 2015. In 2016, no changes were made to the Supervisory Board remuneration policy.

The fee level and structure for the Supervisory Board is summarized as follows:

in EUR	Fee
Chairman Supervisory Board	120,000
Vice-chairman Supervisory Board	80,000
Member Supervisory Board	75,000
Chairman Audit Committee	10,000
Member Audit Committee	8,000
Chairman Appointment & Remuneration Committee dealing with Appointment Matters	9,000
Chairman Appointment & Remuneration Committee dealing with Remuneration Matters	9,000
Member Appointment & Remuneration Committee	8,000
Chairman Technical & Commercial Committee	10,000
Member Technical & Commercial Committee	8,000
Lump sum fee for each intercontinental travel	5,000

None of the members of the Supervisory Board receive remuneration that is dependent on the financial performance of the Company.

None of the Management Board members has reported holding shares (or other financial instruments) in SBM Offshore N.V, except for Mr. S. Hepkema. The reason for his shareholdings is the

(share based) remuneration he received as Management Board member in the past.

SBM Offshore does not provide loans or advances to Supervisory Board members and there are no loans or advances outstanding. SBM Offshore does not issue guarantees to the benefit of Supervisory Board members nor have these been issued.

The total remuneration of the members of the Supervisory Board in 2016 amounted to EUR 765 (2015: EUR 741) thousand on a gross (i.e. before tax)

basis as set out below. In note 5.3.6 to the consolidated financial statements the remuneration of individual Board members is set out in US\$.

## Remuneration of the Supervisory Board

in thousands of EUR		2016		
		Basic remuneration <sup>1</sup>	Committees	Total
F.J.G.M. Cremers	Chairman	120	17	137
T.M.E. Ehret	Vice-Chairman	80	10	90
L.A. Armstrong		75	16	91
F.G.H. Deckers		75	17	92
F.R. Gugen		75	10	85
S. Hepkema		75	8	83
L.B.L.E. Mulliez		75	6	81
C.D. Richard		100	6	106
<b>Total</b>		<b>675</b>	<b>90</b>	<b>765</b>

<sup>1</sup> including intercontinental travel allowance



## APPENDIX ON SHARE-BASED INCENTIVES

The following table represents the movements during 2016 of all unvested shares (the total number of vested shares held by the Management Board are reported in note 5.3.23 to the consolidated financial statements). Unvested LTI shares in the

columns Outstanding at the beginning and/or end of the year, are reported at the Target LTI numbers, with the actual vesting hereof in the year shown for the actual number as per the outcome of the performance criteria as per the Remuneration Policy.

As at December 31, 2016 the following share-based incentives are outstanding:

	Outstanding at the beginning of 2016	Granted	Vested	Outstanding at the end of 2016	Status at the end of 2016	Vesting date	End of blocking period	Fair value of share at the grant date – €	Fair value of the TSR component – €
<b>Bruno Chabas – CEO</b>									
2012 STI Matching Shares	14,831	-	14,831	-	vested			10.58	
2013 STI Matching Shares	25,171	-	-	25,171	conditional	2017		11.87	
2014 STI Matching Shares	32,777	-	-	32,777	conditional	2018		9.76	
2013 LTI	88,913	-	177,825	-	vested		2018	10.35	11.36
2014 LTI	84,218	-	-	84,218	conditional	2017	2019	11.79	11.12
2015 LTI	83,878		-	83,878	conditional	2018	2020	11.51	14.78
2016 LTI		84,678		84,678	conditional	2019	2021	11.91	19.92
	<b>329,788</b>	<b>84,678</b>	<b>192,656</b>	<b>310,722</b>					
<b>Sietze Hepkema – CGCO</b>									
2013 LTI	71,025	-	106,537	-	vested		2018	10.35	9.78
2014 LTI	62,111	-	-	62,111	conditional	2017	2019	11.79	9.56
	<b>133,135</b>	<b>-</b>	<b>106,537</b>	<b>62,111</b>					
<b>Peter van Rossum – CFO</b>									
2012 STI Matching Shares	4,006	-	4,006	-	vested			10.58	
2013 STI Matching Shares	11,896	-	-	11,896	conditional	2017		11.87	
2014 STI Matching Shares	15,134	-	-	15,134	conditional	2018		9.76	
2013 LTI	59,287	-	88,931	-	vested		2018	10.35	9.78
2014 LTI	51,847	-	-	51,847	conditional	2017	2019	11.79	9.56
2015 LTI	55,919		-	55,919	conditional	2018	2020	11.51	11.31
2016 LTI		56,452		56,452	conditional	2019	2021	11.91	15.50
	<b>198,089</b>	<b>56,452</b>	<b>92,937</b>	<b>191,248</b>					
<b>Erik Lagendijk – CGCO</b>									
2015 LTI	55,919	-	-	55,919	conditional	2018	2020	11.51	11.31
2016 LTI		56,452		56,452	conditional	2019	2021	11.91	15.50
	<b>55,919</b>	<b>56,452</b>	<b>-</b>	<b>112,371</b>					

### 3 GOVERNANCE

	Outstanding at the beginning of 2016	Granted	Vested	Outstanding at the end of 2016	Status at the end of 2016	Vesting date	End of blocking period	Fair value of share at the grant date – €	Fair value of the TSR component – €
<b>Philippe Barril – COO</b>									
Restricted shares <sup>1</sup>	50,000	-	-	50,000	conditional	2018	2020	-	
2015 LTI	55,919	-	-	55,919	conditional	2018	2020	11.51	11.31
2016 LTI		56,452		56,452	conditional	2019	2021	11.91	15.50
	<b>105,919</b>	<b>56,452</b>	<b>-</b>	<b>162,371</b>					
<b>Douglas Wood – CFO</b>									
Restricted shares <sup>2</sup>	-	30,000	-	30,000	conditional	2019	2021	12.71	
2016 LTI		42,339		42,339	conditional	2019	2021	11.91	15.50
	-	72,339	-	72,339					

<sup>1</sup> these shares were awarded to Mr. Barril as compensation for the loss of share-based payments at his former employer, and have been reported to the AGM in April 2015 in Agenda item 11

<sup>2</sup> these shares were awarded to Mr. Wood as compensation for the loss of variable remuneration entitlements and other benefits in his previous employment, and have been reported to the EGM on November 30, 2016 in Agenda item 1

**The following shares (or other financial instruments) are held by SBM Offshore N.V. by members of the Management Board.**

	Shares subject to conditional holding requirement	Other shares	Total shares at 31 December 2016	Total shares at 31 December 2015
Bruno Chabas	284,967	96,112	381,079	188,423
Peter van Rossum	137,612	35,042	172,654	79,717
Philippe Barril	-	-	-	NA
Erik Lagendijk	-	-	-	NA
Sietze Hepkema <sup>1</sup>	NA	NA	NA	-
Douglas Wood			-	-
<b>Total</b>	<b>422,579</b>	<b>131,154</b>	<b>553,733</b>	<b>268,140</b>

<sup>1</sup> Mr. Sietze Hepkema is no longer a member of the Management Board since April 15, 2015