2017
ANNUAL REPORT

SBM OFFSHORE

EXPERIENCE MATTERS

4.5.8 GENERAL AND ADMINISTRATIVE EXPENSES

	2017	2016
Employee Benefits	(23)	(22)
Other costs	(11)	(4)
Total	**(33)**	**(27)**

The employee benefits include the Management Board remuneration, and recharge of other personnel costs at the headquarter, as well as share-based payments (IFRS 2 costs) for the entire Group. For further details on the Board of Management remuneration, reference is made to section 4.3.6 Employee Benefit Expenses.

The other costs include amongst others audit fees, legal, compliance, corporate governance and investor relation costs. For the audit fees reference is made to section 4.3.34 Auditor's Fees and Services.

4.5.9 FINANCIAL EXPENSES

The financial expenses relate to interest expenses charged by Group companies to SBM Offshore N.V.

4.5.10 INCOME TAX

The income tax relates to variance on valuation allowances on deferred tax asset position recognized on the preceding years within the Dutch fiscal unity after settlements of tax positions between the Dutch group companies belonging to the fiscal unity. All tax liabilities and tax assets are transferred to the parent of the fiscal unity.

4.5.11 COMMITMENTS AND CONTINGENCIES

SBM Offshore N.V. has issued performance guarantees for contractual obligations to complete and deliver projects in respect of several Group companies, and fulfilment of obligations with respect to long-term lease/operate contracts. Furthermore, the company has issued parent company guarantees in respect of several Group companies' financing arrangements.

SBM Offshore N.V. is head of a fiscal unity for current income tax in which almost all Dutch group companies are included. Current income tax liabilities of Dutch group companies are calculated locally and settled via intercompany current accounts to the company. This means that these companies are jointly and severally liable in respect of the fiscal unity as a whole.

4.5.12 DIRECTORS REMUNERATION

For further details on the Directors remuneration, reference is made to section 4.3.6 Employee Benefit Expenses of the consolidated financial statements.

4.5.13 NUMBER OF EMPLOYEES

The members of the Management Board are the only employees of SBM Offshore N.V.

4.5.14 AUDIT FEES

For the audit fees relating to the procedures applied to SBM Offshore N.V. and its consolidated group entities by accounting firms and external auditors, reference is made to paragraph 4.3.34 Auditor's Fees and Services of the consolidated financial statements.