Maersk Drilling Corporate Major Accident Prevention Policy

Maersk Drilling A/S, a company registered in Denmark, represents the Maersk Drilling group of companies (together, Maersk Drilling). All policies and procedures, including in relation to health, safety and the environment are utilised by each company within Maersk Drilling.

In Maersk Drilling, we aim to achieve industry leadership in HSSE performance, display good corporate citizenship, contribute to sustainable development and earn the confidence of employees, customers, shareholders and society at large.

Maersk Drilling has created this Corporate Major Accident Prevention Policy (CMAPP) to augment our Sustainability Framework and supporting SiRIUS management system, to illustrate the measures in place to reduce the risk of major accidents occurring within our organisation to As Low As Reasonably Practicable (ALARP), and to comply with all relevant health and safety and environmental legislations.

This policy serves to commit to, and achieve the following:

- Identification of all relevant Major Accident Hazards (MAH) in our operating environment, including those that present risk to our people, our built assets and the natural environment.
- Use of proven, analytical hazard management methodologies to reduce risk associated with MAH to ALARP, including:
  a) Systematic identification of barriers to either prevent the occurrence or reduce the consequences of a major accident, and the implementation of management processes to control the performance of such barriers;
  b) Application of structured maintenance management strategies to provide assurance of barrier integrity, including performance of safety and environmentally critical elements;
  c) Audit, inspection, monitoring and verification of the safety and reliability of technical systems in place; and
  d) Audit, monitoring and verification of compliance with our management systems and all relevant regulatory requirements.
- Minimisation of hazardous releases to the environment.
- Continuous improvement of our safety culture and the control of risks of major accidents through:
  a) Proactive and reactive identification of improvement opportunities and implementation of improvements or corrective actions;
  b) Nurturing an active reporting culture;
  c) Active involvement of the workforce at all levels in matters related to safety, environmental protection and asset integrity;
  d) Encouragement of open dialogue and ensuring that any concern related to safety or the environment, including whistleblowing, can be voiced without any repercussions.
  e) Protection of data in industrial, automation, and utility systems against cyber threats through Maersk Drilling's Information Security Framework.
SCOPE
This CMAPP applies globally across Maersk Drilling operations (i) in external waters and (ii) outside of the European Union.

COMMITMENT FROM OUR LEADERS
From our CEO down to rig crew level, all levels of leadership within Maersk Drilling are committed to work actively to reduce the potential for major accidents to ALARP.

Maersk Drilling leaders (as defined below) are committed to assuring that any major accident is prevented through continuously developing our organisational capabilities through a Plan-Do-Study-Act methodology. This adopts a systematic series of steps for continuous improvement of the major accident prevention process.

All Maersk Drilling leaders have responsibility for ensuring that the potential for a major accident to occur is ALARP, and that all relevant health and safety and environmental legislation is complied with. This includes the following positions, all of whom are considered to be Maersk Drilling Leaders:

- Senior Management Team and Heads of Departments
- Asset Managers
- Rig Managers / Unit Directors
- Offshore Installation Manager
- Section Leaders (Drilling, Marine, Technical)
- HSE positions (onshore and offshore)

The above persons each have responsibility for ensuring that this policy is fully implemented across Maersk Drilling operations and that its effectiveness and suitability is continuously monitored.

ORGANISATIONAL COMMAND AND CONTROL
Maersk Drilling’s SIRIUS Management System, which is a comprehensive web-based management system for integrating sustainability, contains the formal command and control structure of our organisation from rig level to the senior management team. Our management system also illustrates the onshore support structure, including how individual departments interface with and provide direct support to operations on our drilling units.

The organisational hierarchy from offshore to onshore includes the OIM who reports to the Rig Manager / Unit Director who reports to the Asset Managers, who in turn report up to the Chief Operating Officer and finally to the Chief Executive Officer.

This organisational hierarchy is also represented in our key operating manuals, including unit Safety Cases and Contingency Manuals which reside within our management system.

BUILDING AND MAINTAINING A STRONG SAFETY CULTURE
Maersk Drilling’s Safety Culture is underpinned by our Sustainability Framework, which contains our high level policy statements on HSSE, Quality and Corporate Social Responsibility. This framework is implemented at operational level through several programs and initiatives which are designed to directly involve the workforce in HSSE issues and mandate their continued involvement in developing and improving our safety culture. These programs are integrated into our SIRIUS management system and include:
• Work Execution Process (WEP) – a process for planning, risk assessment, approval, preparation, execution and completion of work. A work permit is required whenever it is intended to carry out work which may affect the safety of personnel, plant or environment.
• STOP Work Authority – All of our employees have the authority to say ‘Stop’ in any work situation where they may feel unsafe
• ACTIVE card system – a reporting system that prevent any accidents and near misses by communication, reporting and personal responsibility.
• Incident Reporting and Investigation process
• Plan-Do-Study-Act (PDSA) methodology and After Action Reviews

Maersk Drilling conducts its business in accordance with a distinctive set of Maersk Group values (detailed further below) which drive all aspects of Maersk Drilling’s strong safety culture. These corporate values are ingrained into the operations and have remained guiding principles, governing the development of Maersk Drilling and ensuring sustainable and safe operations on a continuous basis e.g. through the application of active reporting, PDSA and after action reviews. Furthermore, Maersk Group and Maersk Drilling have implemented a “whistle-blower” system, which gives employees, directors and external stakeholders yet another means of reporting possible violations of laws and/or Group policies. The system is available worldwide in over 40 languages, and persons can make reports by telephone or online, accessing the system through www.maersk.com or through internal Group and Business Unit websites. Reporters are protected and can choose to be anonymous.

Maersk Drilling commits to active membership of many oil and gas industry bodies, e.g. the International Association of Drilling Contractors, which monitors legislation and participates in tripartite committees such as the Offshore Major Accident Hazards Advisory Committee. Maersk Drilling adopts appropriate guidance or ways of working emanating from the tripartite consultations, and acts on agreed actions as they conduct, promote or support the management and control of offshore major accident hazards. The same approach to capturing such lessons learned from tripartite networks is followed by Maersk Drilling globally. Active membership of industry bodies thereby provides an active setting to exchange the best practices of other IADC members, regulators, and worker representatives, and Maersk Drilling in turn disseminates those practices to our managers, employees and global management system.

Active workforce participation is encouraged by Maersk Drilling in Quality Management / HSSE issues and the development of Safety Cases, including the aspects directly related to assessing the risk of major accident hazards. Maersk Drilling take steps to ensure tripartite consultation by following guidance provided from industry bodies and unions with regards to workforce involvement.

RELIABLE COLLECTION AND RECORDING OF DATA AND PREVENTION OF DATA-MANIPULATION

To protect data collected from industrial, automation and utility systems against cyber threats, Maersk Drilling has as part of the Maersk Drilling Information Security Framework, written the Recommended Practice: Maersk Drilling industrial Control System (ICS) Security (IS-RPR-001). The Recommended Practice (IS-RPR-001) is applicable through the lifecycle of the ICS from procurement to decommissioning. It sets the minimum information security requirements and is based on guidance, best practice and standards for Industrial Control Systems (ICS) security.

Maersk Drilling has implemented a secure remote connectivity solution named COIN that allows for remote access to the ICS, which is managed by the rig and only allows for the specific vendor to access their own systems. The design and implementation of COIN requires approval by MD COIN Steering Committee. Purpose of the COIN solution is to access data in a secure and controlled manner to retrieve data or to maintain and do fault finding on connected industrial systems. Presently the setup does not allow for any unauthorized access of historical data, and at any time copy of relevant historical data can
be retrieved and sent directly from data logger to Maersk Drilling, Oil Company or authorities pending data confidentiality has been agreed upon.

TRAINING, DEVELOPMENT AND COMPETENCE ASSURANCE OF OUR WORKFORCE
Maersk Drilling is committed to ensure that personnel at all levels in the organisation are skilled, knowledgeable and competent in their position.

Our competence assurance starts in the job interview process by investigating the personal and professional competencies our employees possess and bring into our company. This is the foundation on which we build competent employees.

On top of this, our three level competency framework provides our people with a broad range of competencies:

- **Level 1**: Our license to operate is the compliance training that guarantee compliance with regulatory and client requirements.
- **Level 2**: On top of this we build Maersk Drilling specific competencies for all of our employees. This layer is our procedural training that secures the ability to comply with our operating procedures and systems.
- **Level 3**: Our leadership, values and performance training is designed to enable our leaders and teams to deliver consistent high performance.

To document the competence of personnel to perform a task or operate equipment, a Competency Assurance System is used and results are registered electronically.

Measures are in place to track and assure the competency of our personnel. For example, unit specific Training and Competency matrices enable Maersk Drilling to monitor and proactively secure training and competency compliance for each specific job role and each person. When requested, we can demonstrate the competency information to our external stakeholders, including customers and regulators.

Maersk Drilling uses an electronic system to support all HR data such as personnel data, training matrices, shift plans etc. This system is integrated with a Learning Management System, which we use for training purposes to monitor and document training and competence and store certificates. Our set-up ensures that a 3rd party can quickly verify that an employee is competent.

Maersk Drilling is committed to identifying safety critical tasks in respect of major accident prevention and verifying that the personnel responsible for performing these tasks have the required understanding of how their role relates to maintaining a safe and secure workplace. This includes contractors or third parties on board our units. We manage this through a combination of our Barrier Management Strategy, our Review competence for Maersk Drilling contractors and HSE Contractor Management procedures. Rig Managers and OIMs are responsible for implementing these procedures offshore and our Rig Managers / Unit Directors ensure compliance globally.

RECOGNISING DESIRED BEHAVIOURS
In addition to empowering all employees with the STOP work authority, Maersk Drilling has also implemented an ACTIVE-card tool through its management system for use in recognition of employee performance and to promote desired behaviours. The ACTIVE-card tool also targets undesired behaviours and by highlighting unsafe acts and conditions that could lead to accidents or near-misses, seeks to reduce the incidence of undesired behaviours.
Maersk Drilling utilises its intranet to publicly recognise and commend high performing teams and individuals who exhibit desired behaviours.

HSE Performance is included in the People Performance Management (PPM) process for all employees and is therefore part of our annual rewards process.

SETTING TARGETS AND REVIEWING EFFICACY OF SUPPORTING PROCESSES
The Senior Management Team of Maersk Drilling sets HSSE performance targets on an annual basis which are cascaded through our asset teams to unit level operations. Passage towards these corporate-led targets is supported by the development of annual HSSE plans at each operating location. These plans focus on the prevention of all incidents/accidents and unplanned events affecting Health, Safety, Security or the Environment within operations.

Regular reviews of Maersk Drilling’s capabilities and goals in relation to the prevention of major accidents are conducted both on a routine basis and in response to identified issues. Each time a unit moves between operating regions, the efficacy of the Safety Case and its component safety studies is reviewed onshore by a combination of senior operations, technical and HSSE personnel. Independently of this, our SIRIUS management system specifies the frequency of routine reviews to be conducted on all HSSE documentation relevant to major accident prevention. Our audit process, endorsed by the Senior Management Team which includes representation from each of the Maersk Drilling’s core business functions, ensures reviews are conducted in accordance with the specified schedule.

Reviews can also be triggered by ad hoc revision requests when circumstances indicate such a review may be required. Revision requests can be submitted by any Maersk Drilling employee through a dedicated revision portal.

INTEGRATED AND CONSISTENT BARRIER MANAGEMENT
Maersk Drilling’s Barrier Management Strategy, as a constituent part of our overall HSSE risk management strategy, provides a robust, integrated and consistent approach for the management of the barriers in place to prevent major accident events. In particular, the strategy describes the management controls in place to ensure that no single failure of a containment barrier can result in a major accident. Maersk Drilling is committed to assuring the effectiveness of these barriers throughout the life cycle of its operations and to minimising the risk of major safety and environmental exposures.

ROBUST MANAGEMENT OF CHANGE (MOC)
Technical modifications or changes to units are performed in accordance with specific change management processes within our SIRIUS management system. Any changes affecting Safety and Environmentally Critical Elements (SECEs) require a detailed risk assessment and approval of an onshore Technical Authority in order to go ahead.

Review and amendment of HSSE management processes follows a similar process. Each management system process has an assigned Business Process Owner (BPO) who must review and approve any change to the process before it can be implemented.

Organisational changes automatically trigger an assessment of training and competency requirements in the role(s) affected.

Changes to HSSE documents having a specific focus on control of major accident hazards, such as unit HSE cases and bridging documents, can only be approved by the Rig Manager / Unit Director of the affected unit to ensure that changes are controlled and risks are continuously maintained as low as reasonably practicable (ALARP).
AUDIT PROGRAMME

Maersk Drilling’s internal auditing is an independent, objective assurance and consulting activity designed to add value and ensure continuous improvement of the organisation’s operations and to ensure that the risk of any potential major accident event precursor is identified and handled immediately.

Internal audits will be conducted at such intervals to ensure that the requirements of the applicable Internal Audit Programme are met.

Regular audits of the Management System will be conducted by a function nominated by the Management Audit Committee in accordance with an annual audit programme approved by the CEO of Maersk Drilling.

Additional audits will be conducted if requested by a department head. They may also be conducted when major changes are made to the Management System or when there are strong indications that the safety, environmental management or reliability of a service does not meet documented requirements.

The scope of internal audits shall not be confined to auditing of the Management System alone but may include all aspects of the business which are regulated by documented procedures.

Auditing is characterised by reliance on a number of auditing principles in Maersk Drilling. These make the audit an effective and reliable tool in support of management policies and controls, providing information on which Maersk Drilling can act to improve its performance:

- Trust, integrity, confidentiality and discretion are essential to auditing.
- Audit findings, conclusions and reports shall reflect truthfully and accurately the audit activities.
- Auditors shall exercise care in accordance with the importance of the task they perform and the confidence placed in them. Having the necessary competence is an important factor.
- Auditors shall be independent of the activity being audited and shall be free from bias or conflict of interest.
- Audit evidence shall be verifiable. It shall be based on samples of the information available
- Audits shall be conducted in an objective manner
- Audits shall be conducted based on agreed audit objectives, scope and criteria.
- Audit findings specifying actions to be taken shall be entered into an action tracking system and progress shall be tracked against same

AUTHORISATION TO COMMIT

Maersk Drilling’s Senior Management Team (SMT) is accountable for the implementation and efficacy of the management system and CMAPP and ensures this by

- Regularly reviewing HSE performance during SMT meetings
- Examining whether the Sustainability Framework reflects Maersk Drilling’s current priorities, plans and targets
- Setting long-term corporate goals for Maersk Drilling’s HSE performance, including in relation to the control of major accident hazards
- Reviewing and responding to reports on Maersk Drilling’s HSE performance
- Annual external reporting of HSE performance as part of the organisation’s commitment to sustainable business
- Integrating Health, Safety, Security and Environment (HSSE) accountability into the company’s governance structure, such as through heads of departments, Asset Managers, and through a dedicated HSSE Department.
The Asset Managers have the responsibility towards the COO that all relevant decisions and execution of tasks are performed within the framework of Maersk Drilling’s management system and CMAPP. Asset Managers will ensure that any deficiencies noted in executing this policy will be reported to SMT immediately and rectified accordingly. HSE performance indicators and deviations are reported to the SMT through the Maersk Drilling Business Intelligence System (BI) including

- A monthly report on the performance of each Drilling Unit
- A monthly report on the performance of each Asset Team
- Investigation Reports and learnings from HSE incidents, including process safety incidents, near misses and non-conformance issues.

Heads of Departments are accountable for the health and safety performance of their departments, and have HSE specific responsibilities derived from the SMT. All departments are thereby held accountable for ensuring continued improvement of HSE performance and reaching set objectives for the units. Where circumstances change and the content of the CMAPP is no longer relevant, the MoC process (see above) is in place to ensure timely revisions can be made by the respective functions. The HSSE department monitors if the principles of the CMAPP change, and will address and report this to the SMT to ensure the CMAPP continues to be implemented in the management system.

COMPLIANCE THROUGH OUR CORE VALUES
The Senior Management Team of Maersk Drilling understands that operating safely and in accordance with recognised standards is our first and most important obligation and they actively reinforce this to all employees through adherence to our Group Core Values, which include Constant Care, Humbleness, Uprightness, Our Employees and Our Name. These core values encourage and facilitate transparency and ethical behaviour in every area of Maersk Drilling’s business, including in relation to safety and major accident prevention. In support of this obligation, our SIRIUS management system is designed to be compliant with ISO 14001; ISO 9001; and OHSAS 18001. Furthermore, we develop and maintain an HSE Case for each operating unit within our fleet based on recognised drilling industry guidelines. This approach ensures a common understanding of how we manage the risk from major accident hazards that are present in the operating environment.

In addition to complying with recognised industry standards, Maersk Drilling follows all relevant local, regional and international regulatory requirements within their field of operation and in respect of operations outside of the European Union.

OPERATIONS OUTSIDE OF EUROPEAN UNION
The same approach to health, safety and the environment, including adherence to the CMAPP, is followed by Maersk Drilling whenever it is operating outside of the European Union.

Jørn Madsen
CEO of Maersk Drilling
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