

Appendix 32. - 2017 Annual Report

32. Incidents of Non-compliance.

The Consent Decree and Performance Plan contain hundreds of individual obligations that Transocean must comply with either on a one-time or ongoing basis. The following provides detail on the single non-compliance identified in 2017.

| 2017 Non-Compliance | | |
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| <i>ISSUE</i> | <i>LIKELY CAUSE</i> | <i>REMEDIAL ACTION</i> |
| <p>1. <u>Submission of Employee Lists</u> Transocean is required, under paragraphs 15.d.1&2, 15.d.3 and 15.d.5 of the Performance Plan, to submit by April 2 of each year a list of all Well Control and Designated Employees along with a list of all CAMS employees working within waters of the United States. These lists were generated from the company’s personnel management system. The lists did not contain certain employees from one rig as a result of a migration of personnel data to a new global personnel management system at the same time the rig began operating in the waters of the United States. Upon discovery, the lists were immediately corrected and submitted to the U.S. Importantly, these lists are purely a “point-in-time” reporting requirement and are not used to determine whether employees are trained or if they meet competency requirements as these requirements are independently verified by the Independent Auditor and the Obligations Team monthly. It was confirmed that all the employees who were inadvertently not included in the original lists did at all times fully meet the required training and competency assessment as required under Transocean policy and the Consent Decree.</p> | <p>The cause was the implementation of a new global personnel management system at the same time a rig began operating in the waters of the United States.</p> | <p>The issue is highly unlikely to reoccur because the cause was a unique set of circumstances where a rig began operating in the waters of the United States at the same time a new global personnel management system was being implemented. Implementing a new global personnel management system is an extremely infrequent event. In addition, prior to submitting the required employee lists, a new process has been implemented whereas the Obligations Team will request Transocean’s Human Resources department to independently review and verify the accuracy of the lists.</p> |