QHSE program
Preface

The QHSE performance in 2015 was magnificent. We have never achieved consistent results at this level. We have reason to be proud, and we must all be aware of the hard work required to make this safety level sustainable.

The main reasons behind these strong results are strong focus on line management responsibility, the importance of compliance and a closer cooperation between the onshore and offshore operation teams and the support functions.

I will especially emphasize on the improvements with respect to reduced number of dropped objects cross all business areas. In 2013 we acknowledged that the overall status and performance was poor. We had to improve in order to avoid a fatal accident.

Safety is not to be compromised even in a depressed market and in a time marked by increased cost consciousness. We must continue to work hard to maintain and even improve our results at this high level. It will not be easy in a time when many of our employees and leaders change rigs, crews and positions. The situation demands that the line management remains attentive and updated on our procedures and guidelines.

We see no reason to change the QHSE strategy. We have reason to say that we as a company believe in what we do and know how to achieve improvements and maintain top performance. Focus areas for 2016 will be as follows:

- Global standard implementation
- Procedural discipline
- Dropped object prevention
- Barriers against major accidents
- Competence Assurance implementation
- Security awareness

It is important now to continue the hard work and close cooperation to maintain the strong QHSE performance. Our clients expect consistently high QHSE performance from its suppliers and our QHSE results are fundamental to Odfjell Drilling’s good reputation in the market.

Today’s QHSE achievement is history; tomorrow’s success is the future fraught with challenges. Being a champion today has no value if we have a major accident tomorrow.

There is no acceptance for compromising safety.

Through continuous improvement achieve zero fault.
Quality policy

Odfjell Drilling shall provide its customers with quality and innovative products and services meeting external and internal requirements and expectations.

This will be achieved by:

- Developing a quality culture where tasks are performed right the first time and where we constantly strive to add value for customers and owners. In maintaining this quality culture, the Odfjell Drilling core values are instrumental:
  
  - Committed
  - Safety conscious
  - Creative
  - Competent
  - Result oriented

- Ensuring performance management by establishing, measuring and reviewing goals and objectives.
- Establishing effective business processes and continuously monitoring and improving the company management system.

HSE policy

Odfjell Drilling shall maintain the highest safety standard and protect health of our employees and others associated with our operations. Operations shall be conducted according to sound and environmental principles and in a manner to minimize any adverse environmental impact.

This will be achieved by:

- Complying with HSE legislation and other relevant requirements
- Avoiding personnel injury and harm to health and reducing environmental risks through effective risk management
- Monitoring, reviewing and continually improving HSE performance through management by objectives
- Ensuring safety leadership and environmental stewardship are a prioritized part of management responsibility

- Developing an HSE culture based on competence, involvement and commitment from all in applying the Odfjell Drilling HSE rules:
  - I will always comply with rules and procedures
  - I will always risk assess my work
  - I will always act when I see unsafe behaviour and conditions

- Developing and maintaining emergency response plans to prevent loss to the environment
- Promoting use of environmentally preferable processes and technologies

Environmental principles

The following environmental principles supporting the HSE Policy are defined:

- Use energy and other natural resources efficiently.
- Minimize waste generation and promote, reduce, reuse and recycle opportunities.

- Work systematically to replace or reduce harmful chemicals.
- Integrate environmental considerations into planning and development of new activities and products.
- Consider environmental performance in selecting suppliers and contractors.

These principles shall be taken into account in developing the environmental management system and programs.
Security Policy

Odfjell Drilling shall protect its personnel, assets and business from potential security threats. Security is an integral part of line management responsibility, the security and protection of employees must be the overriding priority of all business activity.

This will be achieved by:

- Performing risk analyses in order to identify and manage security risk.
- Preventive actions shall be implemented to reduce risk to as low as reasonable practicable.
- Security training shall be provided as necessary.

- Facilities, systems and information shall be adequately secured.
- All security incidents and breaches must be reported and recorded. Incidents shall be investigated and criminal acts will be reported to the police.

Our employees, consultants and contractors shall be aware of their personal responsibilities in respect of security matters and will comply with the law in all countries where Odfjell Drilling operates and conducts business.
QHSE program 2016

Corporate

Key Performance Indicators

<table>
<thead>
<tr>
<th>Quality</th>
<th>Health</th>
<th>Safety</th>
<th>Environment</th>
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<tbody>
<tr>
<td>Zero overdue non-conformances</td>
<td>Sickness absence &lt; 3% or 20% reduction from previous year</td>
<td>LTI frequency (H1) = 0</td>
<td>Zero red incidents, ref. notification matrix.</td>
</tr>
<tr>
<td>Customer Satisfaction &gt; 80% of max score</td>
<td>Perform working environment survey</td>
<td>TRI frequency (H2) &lt; 3</td>
<td>Reduce discharge to sea</td>
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</table>

Simen Lieungh CEO Odfjell Drilling
Janike Myre SVP QHSE

Quality
- Global standard implementation
  - Optimize CMS to fit global work processes and procedures
  - Develop and improve work processes to improve performance
  - Provide training of onshore and offshore personnel in use of work process tool
- Improve quality in incident and non-conformance case management

Health, Safety, Security and Environment
- Reduce sickness absence
- Improve safety performance
  - Reinforce strong discipline culture through active leadership
  - Implement and monitor self-verification process
  - Prevent dropped objects
  - Improve major accident management and awareness
  - Implement competence assurance system
- Improve security awareness
- Improve environmental performance
QHSE program 2016

Mobile Offshore Drilling Units

Quality
- Global standard implementation
  - Implementation of global standard in CMS in line with GS implementation plan
  - Implement Omega for work processes
  - Provide training of onshore and offshore personnel in use of work process tool
- Improve quality in incident and non-conformance case management

Health, Safety, Security and Environment
- Reduce sickness absence
- Improve safety performance
  - Procedural discipline through self-verification
  - Prevention of dropped objects
  - Improved barrier management against major accidents
  - Implement Competence Assurance program for all units in operation
- Improve security awareness
- Improve environmental performance

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<tr>
<td>Customer Satisfaction &gt; 80% of max score</td>
<td>Reduce number of chemicals</td>
<td>TRIF (H2) &lt; 3</td>
<td>Zero red incidents, ref. notification matrix</td>
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<td>Technical Uptime on rig target</td>
<td>Perform working environment survey</td>
<td>Zero red incidents, ref. notification matrix</td>
<td>Increase number of environmental near miss reports</td>
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Kjetil Gjersdal EVP MODU

Simen Lieungh CEO Odfjell Drilling
QHSE program 2016

Odfjell Well Services

Key Performance Indicators

Quality
- Zero overdue non-conformances
- Customer Satisfaction > 5
- NPT < 0.5%
- NCRS to loadouts < 0.5%

Health
- Sickness absence < 3% or 20% reduction from previous year
- Zero red chemicals according to risk matrix

Safety
- LTI frequency (H1) = 0
- TRIF (H2) < 3
- Zero red incidents, ref. notification matrix
- Frequency < 5 for dropped objects > 40 J

Environment
- Zero reportable discharges to land or sea
- Zero red incidents, ref. notification matrix
- Select and reduce one waste category by 5%

Tommy Johnsen, EVP Odfjell Well Services
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Platform Drilling & Technology

Quality

- Global standard implementation
  - Support development and improvement of global work processes to improve performance
  - Support efficient use of Omega
  - Optimize OPEM model for all projects
- Improve quality in incident and non-conformance case management

Health, Safety, Security and Environment

- Improved Safety Performance
  - Improve Safety Leadership & Procedural Discipline
  - Prevent Dropped objects
  - Improve barrier management against major accidents
  - Implement Competence Assurance program for all operations
- Improved security awareness
- Improve environmental performance
- Working environment – Reduce sick-leave and manage job-satisfaction

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<td>Wells delivered according to Customers' requirements</td>
<td>Substitute minimum 1 chemical with high health risk per platform</td>
<td>Zero red incidents, ref. notification matrix</td>
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<td>98% Technical uptime</td>
<td>Perform working environment surveys on- and offshore</td>
<td>Frequency &lt; 5 for dropped objects &gt; 40 J</td>
<td>Minimum 80% environmental near miss reports</td>
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<td></td>
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<td>Zero Well Control Incidents</td>
<td>Visualise actual achieved environmental improvements</td>
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Ole F. Maier  EVP Platform Drilling & Technology
Committed
Safety Conscious
Creative
Competent
Result Oriented

www.odfjelldrilling.com