

Seadrill UK Operations Ltd (the “Company”) - Section 172(1) Statement

The Companies (Miscellaneous Reporting) Regulations 2018 (‘2018 MRR’) require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 (‘S172’) when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

The S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

The Seadrill Code of Conduct is our guide for doing the right thing in business. It uses a principles-based approach covering health, safety and the environment; our people; our partners and suppliers; governments and communities and protecting our assets. As the subsidiary entity that employs the business’ Senior Management and Executives, the Company is at the forefront of implementing group policies.

The Directors of Seadrill Management are members of the Executive team of the Seadrill Group. Decisions made by the Executive team impact the costs base of Seadrill Management and the Seadrill Group as a whole.

Seadrill Limited is responsible for making principle decisions on behalf of its subsidiaries. Management are introducing a process where decisions that impact subsidiaries only, such as board appointments and resignations, are approved through board meetings of that subsidiary.

Directors delegate authority to senior management, who carry out regular financial reviews of the Company in order to identify risks and risk mitigation activities. The Directors recruit Senior Management with the skills and experience to carry out financial reviews. When making decisions, the Directors ensure that they act in a way that would most likely promote the Company’s success for the benefit of its members, and in doing so have regard to:

S172(1) (A) “The likely consequences of any decision in the long term”

The principal activity of the Company is the provision of mobile offshore drilling rigs and drilling crews to the UK oil and gas industry. The Company has made some recent appointments to its board which provide a broader skill set. On the 30th July 2020, Sandra Redding was appointed as a director to the Company. Sandra Redding is a member of the Executive Team of Seadrill Limited, the Parent company of the Company. On 30th July 2020, Stuart Robert Jackson joined the Board as a director of the Company. Stuart Robert Jackson is a member of the Executive Team for the Seadrill Group. On 30th July 2020, Leif Nelson joined the Board as a director of the Company. Leif Nelson is a member of the Executive Team for the Seadrill Group. This has brought further balance to the Board of Directors which will improve decision making in the long term, given the respective Legal, Financial and Operational backgrounds of Sandra, Stuart and Leif.

The Seadrill Group have limited availability of units to drill in the UK which has led to a reduction in tendering activity in the UK.

Members of the board meet regularly as part of their governance duties of Senior Managers of the wider group.

S172(1) (B) “The interests of the Company’s employees”

The Directors recognise that the success of the business depends on attracting, retaining and motivating employees. Employee engagement is encouraged through regular training and development for example, town hall meetings and quarterly issues of “The World of Seadrill” publication.

Reinforcement through the appraisal and employee engagement survey processes ensures Directors can give regard to employee interest when taking principal decisions during the financial year.

S172(1) (C) “The need to foster the company’s business relationships with suppliers, customers and others”

The company is an offshore drilling contractor providing offshore drilling services to the oil and gas industry in the UK. The primary business is the operation of semi-submersible rigs in harsh environments. Management invests in relationships with its customers and suppliers based on operational track record and quality of our fleet. Typically, customers are oil supermajors and independent oil and gas companies.

The company is recognised for providing high quality operations, in some of the most challenging sectors of offshore drilling. The combination of quality drilling units, experienced and skilled employees and trusted suppliers allows it to provide our customers with safe and effective operations - with the aim to establish, develop and maintain a position as a preferred provider of offshore drilling services for our customers in the UK.

S172(1) (D) “The impact of the Company’s operations on the community and the environment”

As part of the Seadrill Group, the Company has sustainability and environmental care firmly embedded in the Company’s culture and corporate strategy.

The Company strives to pursue Seadrill Group’s mission to set the standard in the offshore drilling industry. Sustainability runs through all aspects of our business, from energy-saving, recycling and resource-sharing policies, and ultimately flowing into the offshore drilling rigs and services we bring to customers.

Corporate Social Responsibility is important to the Company and it undertakes many initiatives in this area. The Board recognises the relevance of leading the company in such a way that it contributes to wider society.

S172(1) (E) “The desirability of the Company maintaining a reputation for high standards of business conduct”

Policy details can be obtained from www.seadrill.com.

These include:

- Code of conduct
- Ethical conduct
- Environmental responsibility
- Integrity channel
- Risks/Internal Control policies; and
- Modern Slavery Statement.

These policies and procedures are periodically reviewed, with the management monitoring compliance with relevant governance standards in order to ensure decisions are taken and the Company acts in a way that promotes high standards of business conduct.