

22 June 2015

Discussions concerning dismissals in connection with termination of contracts in Norway for Maersk Giant and Maersk Guardian, and downsizing of extra personnel on Maersk Galant
MAERSK DRILLING NORGE AS (MDN)
MAERSK ANSATTES FORENING (MAF)

MINUTES

The 18th and 19th June 2015 a Discussion Meeting was carried out according to the Working Environment Act § 15.2 and the Basic Agreement Clause 5.5 and 5.9 as a result of downsizing of personnel in Maersk Drilling Norway AS.

Present at the meeting

For the company: Astrid H. Ivesdal og Hilde Svendsen

For the Local union: Frode Larsen, Bår Inge Pedersen og Jørn B. Hansen

Convening

There were no comments on the notice of meeting dated 15 June 2015.

The Company referred to

- Dialogue on the possible need for downsizing in SMFM in recent months, depending on the utilization situation in the company
- Letter of convening a meeting with the employees' representatives dated 15 June 2015
- Notification to NAV

Description of the situation

There are currently several uncertain factors when it comes to further employment for several of the unit's operated by Maersk Drilling Norway AS. It is decided to use the following assumptions in connection with these discussions:

- Maersk Giant is expected to terminate the operation on the Norwegian shelf during September 2015.
- Maersk Guardian is expected to end the operation on the Norwegian shelf during October 2015.
- Additional manning on Maersk Gallant, beyond the contract, to be terminated at startup with ConocoPhillips per. 1 September 2015.

The reason for the dismissals

Maersk Giant is expected to terminate the assignment for Talisman in September 2015, and appears to be without a contract on the Norwegian shelf thereafter. Maersk Guardian is expected to terminate assignment for Premier Oil in October 2015 and also seems to be left without a new contract on the Norwegian shelf thereafter.

In addition, ConocoPhillips announced that they do not want to pay for extra personnel on Maersk Gallant, beyond what is contracted when they take over the rig in September 2015.

Number of employees who may be made redundant

An overview is prepared which assumes that all employees connected to Maersk Giant and Maersk Guardian will be made redundant, as well as those who hold positions beyond the contractual manning of Maersk Gallant. A total of 126 employees on the Maersk Giant, 125 employees on the Maersk Guardian and 16 employees on the Maersk Gallant, in all positions, may be affected. In addition there are 2 BVO apprentices at Maersk Guardian to be transferred to another training location.

Which employees to be given notice will in accordance with selection (see separate section in the protocol). Downsizing will be conducted across all units operated by Maersk Drilling Norway AS on the Norwegian shelf.

Based on the above, the parties agree that the dismissals are justified.

May the number of dismissals be reduced?

Employees who hold international employment with side letter to rig company will be reset to the parent company for new assignments. This applies to a total of 43 employees. Should there be vacancies on the Norwegian Continental Shelf by date for return to international conditions these vacancies will be offered to one of these candidates.

The Resource pool has lately been somewhat reduced due to the expected downsizing. The company considers the need for about 30 employees in this pool by operation of 7 rigs. In addition, it is decided that the company themselves will perform Eex- and welding work on the rigs, and the company will also retain 3 ETs, 3 electricians and 3 welders in the Resource pool for this.

How many should be employed in the Resource pool at any given time, will be evaluated continuously, and also be discussed with the Local union in the monthly meetings.

MAF is of the opinion that the Resource pool does not contain enough personnel in relation to sick-leave, need for additional crew, etc., ref. section 1 of the Resource pool agreement dated June 3 2008.

In a notification to the NAV the company informed that approximately 225 full-time, man-year, positions might be affected by dismissals in Maersk Drilling Norway AS. The company ended with a proposal for a workforce reduction of 184 full-time employees.

The decision 184 FTEs are taken on the basis of the assumptions contained in the introduction of the protocol. If this changes so that a company needs more personnel

to new assignments a reduction in the number of dismissals or re-employment be discussed with the Local union.

During the discussion meeting it was also discussed the option of considering layoffs. When it is not currently possible to say for certain whether future increase of manpower could take place within given limits for lay-offs, this will not be an option at this stage.

The possibility for that the company may offer severance packages to employees has also been discussed. This is something that will have to be assessed individually in each case.

Selection

The parties also discussed the criteria for selection in connection with workforce reductions. The employer informed that the selection must be based on the regulations of the Basic Agreement, Section 6.2 on seniority, unless there are justifiable reasons to deviate from the seniority principle. In this connection, reference is also made to the Agreement on company seniority at lay-offs/mass dismissals and others dated 9 June 2015.

The company would also like to make use of the following criteria at the selection:

- Skills and qualifications
- Social circumstances
- Age
- Effort and performance of work
- Absence

MAF believes that MDN's selection criteria outlined above with bull points 4 and 5 (Effort and performance of work - Absence) may not be used. If MDN still use these criteria in the selection, then MAF recommend any employees being considered dismissed due to the above, to take this up during the WEA § 15.1 meeting (Discussion prior decision of dismissal).

The parties agree that those who presently have not enough seniority to remain in his current position and who are given the opportunity to try seniority in another position for which they qualify, are not to be considered to be encompassed by dismissals on subsequent amendments of employment.

How can the unfortunate aspects of dismissals be reduced?

The Company's Occupational Health Service is informed of the situation and will take appropriate action towards employees when needed.

The company will do its utmost to ensure that the individual should receive the support and assistance necessary in the aftermath of the dismissals.

The company will keep MAF informed about changes in the employment situation.

The company informed that everyone who will be affected by an eventual downsizing will have the right to re-employment cf. Working Environment Act § 14-2. This right applies in accordance with § 14.2, paragraph 3, for workers who have been employed by the company for a total of at least 12 months in the last two years. For those who are entitled to this preferential right it will be extended to apply for two years.

In practice this means that the company will contact the individual dismissed when

any new need for personnel arises.

The individual dismissed will not necessarily be offered employment in the position he or she was dismissed from, but might also be offered re-employment in other positions according to the Seniority Protocol. If the individual decides to turn down such an offer, the right to re-employment is considered to be ceased.

MAF ask for the company to consider the possibility that those who are made redundant in Norway may be offered positions in Maersk Drilling on another shelf.

Individual consultations

As soon as possible after these discussions are completed the company will conduct discussions with individual employees according to WEA § 15-1. The parties agree that notice of the discussion can be sent by mail, with telephone follow-up. It is also agreed that if the employee does not want / have an opportunity to meet at the office discussions may be carried out by telephone.

The company envisages that individual consultations will be conducted in June and July 2015 for the job categories that have three months or longer periods of notice, and in August for those who have one month period of notice. Subsequent final decision will be taken accordingly and dismissal letter will be sent to the employees during the same period.

Dismissals

It has been agreed that the company will contact those who are decided dismissed by telephone. In these cases it may be made agreements with the individual employees that notice may be sent by e-mail if the recipient is not at home to pick up a registered letter. The dismissal then shall be deemed to have taken place when it is received at the employee's inbox.

Name- / seniority lists are shared with the local union.

Forus, 22 June 2015

for MAERSK DRILLING NORGE AS

for MAERSK ANSATTES
FORENING, MAF

Jakob Korsgaard
CEO.

Frode Larsen
Leader local union