

18. januar 2018
January 18, 2018
**Discussions regarding dismissals
related to the Mærsk Innovators'
termination of contract in Norway**
MAERSK DRILLING NORWAY AS (MDN)
MAERSK EMPLOYEES ASSOCIATION
(MAF)

PROTOCOL

On 17 and 18 January 2018, a discussion meeting was held pursuant to Section 15-2 of the Working Environment Act and the Basic Agreement Clause 5.5. and 5.9 as a result of downsizing in number of personnel in Maersk Drilling Norge AS.

Present

For the company: Astrid H. Ivesdal and Hilde F. Svendsen

For the local union: Frode Larsen, Bår Inge Pedersen and Jørn B. Hansen

Notice of meeting

The company referred to

- Information on the need for downsizing in SMFM Wednesday, 10 January 2018, based on the expected situation on employment in the company
- Notification meeting dated 10 January 2018

There were no comments on the notice of meeting

The reason for the dismissals

Mærsk Innovator is expected to terminate the assignment for ConocoPhillips in June 2018, for further assignments in the UK.

Description of the situation

Mærsk Innovator has obtained an assignment with Nexen in the UK on the UK shelf and is expected to leave the NCS in June 2018. The Asset Team has expressed a wish to retain Norwegian crew aboard during the rigmove and in 4-6 weeks after arrival UK in connection with yardstay and training of new crews. A separate agreement on this will be established.

A summary has been prepared which assumes that all employees associated with Mærsk Innovator will be supernumerary. A total of 132 employees at Mærsk Innovator, in all positions, will be affected, of whom employees with an international contract will be re-allocated to the parent company. In addition, 5 BVO apprentices will be relocated to another training site. The 3 BVO apprentices who started their apprenticeship in 2016 are expected to have completed their apprenticeship on board Mærsk Innovator before the start-up of downsizing.

Which employees who will be dismissed will be according to selection (see separate section in minutes). Downsizing will take place across all units operated by Maersk Drilling Norge AS on the Norwegian Continental Shelf.

Based on the above, the parties agree that terminations are necessary.

May the number of redundancies be reduced?

Employees who hold international employment with a sideletter to a rig company will be re-allocated to the mother company for new assignments. This applies to a total of 15 employees. If there will be vacancies on the Norwegian Continental Shelf by the date of return to international conditions, this may be offered to one of these candidates.

The company will initially be in favor of applications for unpaid leave if an employee who will initially retain a position in Norway based on seniority wishes to follow Mærsk Innovator for work on the UK shelf. If an application is granted, the employee will be entitled to return to work in Norway, to the position that he/she may initially may have retained in Norway, when the fixed term of contract known at the start date in the UK is terminated (approximately 200 days). If assignments in the UK are extended, a possible extension of leave may be considered for assessment. It must be noticed that the period the individual is on leave one will be subjected to the current working and wage conditions applicable for the UK shelf.

The company estimates the need for about 35 employees in the Resource Pool at operation of 4 rigs. How many who will be employed in the Resource Pool at all times will be evaluated continuously and also discussed with the local union during monthly meetings.

The company will shortly send a notification to NAV, where it will be announced that between 100 and 110 man-years offshore may be affected by terminations at Maersk Drilling Norge AS

The decision on this number is made on the basis of the assumptions given in the introduction of the protocol. If this changes so that the company needs more personnel for new assignments, reduced number of terminations or reemployment will be discussed with the local trade union. It is known that Mærsk Inspirer will be back on contract in Norway, but the timeline for manning is currently unknown. If it turns out that this will be within a reasonable period of time to assess lay-offs, this will be discussed with the local union. This also applies if the company obtain contracts that indicate other increased activity during the current period.

The company is considering retaining an XLE competence team that will assist in the training of employees transferred from Innovator to XLE Rigs. The team is expected to consist of 3 to 4 employees with special expertise on XLE equipment split between the Operational and Technical Department, where they will be working additional to the competence group set for regular operation. The need for this team will be continuously evaluated.

It was discussed whether it might be appropriate to offer someone a reduced position. This will be finally decided on an individual basis pursuant to WEA § 15-1 meetings.

Furthermore, the possibility for the company to offer severance pay to those who are being dismissed was discussed. The company finds no basis for this - which is

consistent with practice within the industry. However, the company will be open to individual agreements for older workers who consider retiring in the near future.

If it appears from the principles that have been laid down for the downsizing does not work out according to intention, this will be discussed with the local union.

Selection

The parties discussed criteria for selection related to downsizing. The company stated that the selection process will be based on the provisions of the Basic Agreement Section 6.2, where company seniority will apply at otherwise equal terms.

In this connection, it is also referred to the Agreement on Company Seniority, etc. at lay-offs / mass dismissals / downsizing dated June 9, 2015 as well as clarification of Seniority Agreement dated March 16, 2016.

The company also wishes to base the following criteria upon selection:

- Competence and qualifications
- Social conditions
- Age
- Effort and performance of work
- Absence

MAF believes that MDN's selection criteria outlined under bullet points 4 and 5 (Effort and performance of work and Absence) can not be used. If MDN still uses these criteria at selection, MAF will recommend any employees who are considered dismissed pursuant to the aforementioned, to address this during the WEA 15.1 meeting (Discussion before the decision to terminate).

The parties agree that individuals who do not directly have seniority to remain in their current position and are given the opportunity to try seniority in another position for which they qualify are not regarded as a notice of dismissal by amendment of employment. Qualifications in this context also include the emergency preparedness the position held according to the contingency plan, eg smoke diver.

How may the unfortunate effects of terminations be reduced?

The Occupational Health Services are informed of the situation and they will initiate the necessary efforts towards employees when needed.

The company will assist the individual to receive the support and assistance needed after the termination. The possibility of assistance in connection with retraining or courses was also discussed. This will be possible to discuss during the individual discussions (WEA §15-1 meeting).

The company will keep the MAF informed of changes in the crew situation.

The company stated that anyone who will be affected by possible downsizing will have preferential right to new appointment, see Section 14-2 of the Working Environment Act. This right applies to employees who have been employed in the company for a total of at least 12 months during the previous two years pursuant to Section 14-2, 3 paragraph. All employees who are dismissed under this circumstance are entitled to an extended preferential right for two years, Ref. Protocol on temporary extended preferential right during the period of the Collective Agreement stated in the Minute Book of the National Mediator at June 2016, regardless of whether anyone should retire after June 1, 2018.

In practice this means that the company contacts each individual dismissed when there is a possible new need for personnel. The company may also submit mail to employees with information about vacancy and where the employee in turn must confirm to the company if interested.

The individual dismissed will not necessarily be offered reemployment in the position from which he/she was terminated, but may also be offered reemployment in other positions according to the Protocol on Seniority. If the individual concerned chooses not to accept such an offer, the right to reemployment is considered being terminated.

MAF requests an evaluation of the possibility that personnel who become redundant in Norway may be offered positions at Maersk Drilling on another shelf.

Individual discussions

After these discussions, the company will carry out individual discussions with the individual employees pursuant to WEA § 15-1. The parties agree that summons for discussion may be sent by mail followed by telephone follow-up. It is also agreed that the meetings will preferably be arranged by telephone, but if the employee so wishes, he or she may request a meeting at the MDN office. MAF will be available to their members at these meetings regardless of whether the meeting is held by telephone or by personal attendance.

Final decision regarding termination will be made after these discussions.

Dismissals

It is agreed that the company will contact the individuals who are decided terminated by phone. Agreements can be made with the individual employee to send a notice of termination by e-mail. The termination shall then be regarded to have taken place when it has arrived at the employee's inbox. Alternatively, the company will send a termination by registered mail.

Name / seniority lists are shared with the local trade union. If any employees have questions regarding their seniority, they may contact the HR department.

Forus, January18, 2018

for MAERSK DRILLING NORGE AS

Jakob Korsgaard
CEO

for MAERSK EMPLOYEES
ASSOCIATION

Frode Larsen
Leader local union