

April 23, 2020

**Discussions regarding changing in
manning in Maersk Drilling Norge AS**
MAERSK DRILLING NORGE AS (MDN)
MAERSK ANSATTES FORENING (MAF)

PROTOCOL

On April 22 and 23, 2020, a discussion meeting was held in accordance with § 15-2 of the Working Environment Act and § 5.5 and § 5.9 of the Basic Agreement as a result of a change in manning in Maersk Drilling Norge AS.

Present at the meeting

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

There were no comments on the notice.

Reason for dismissals and description of situation

The commercial situation for the Norwegian operation in total is challenging. Maersk Reacher's contract with AkerBP as a hotel has been terminated and the rig is expected to move from the Norwegian shelf in May 2020 and further adjustments in activity are expected for the rigs operating on the Norwegian shelf. The company therefore sees the need to make early adjustments to ensure a healthy business in the market that is now emerging, as a result of a historic decline in oil prices along with the covid-19 pandemic.

Based on the situation descriptions above, an overview has been prepared which is based on fact that all positions corresponding to the current level of manning at Maersk Reacher and Maersk Interceptor, including Maersk Interceptor Relief Pool, will be redundant. Furthermore, the overview contains changes in the number in the regular Relief Pool based on reduced activity.

Which MDN employees should be dismissed will take place according to selection (see separate section in protocol). For MDN employees downsizing of crew will be carried out across all units operated by Maersk Drilling Norge AS on the Norwegian continental shelf.

The parties agree to maintain close dialogue regarding the prospective manning situation. The MAF makes note of the circumstances in the discussions that the situation may change, and based on the above, the parties agree that dismissals are necessary.

May the number of dismissals be reduced?

Employees on international employment contract with a side letter to a rig company on Maersk Reacher will be re-allocated to the parent company. This may also be

extended to additional international employees with a side letter to other rig companies, adapted to the expected level of activity. If there are vacancies on the Norwegian continental shelf by the date of return to international conditions, one of these candidates may be offered a position.

If there is a need for Norwegian crew aboard during the rig move of Maersk Reacher to Denmark, a separate agreement will be entered for the purpose.

The company assesses the need for about 35 employees in the Resource Pool when operating 4 rigs. The number of people who will be employed in the Pool at any given time will be evaluated on a continuous basis and be discussed with the local union in the monthly meetings as well.

Maersk Intrepid will, from the summer of 2020, start crewing up to get ready to start drilling from September 1st. During the discussion meeting, layoffs were also discussed pending this need for crewing up, and there is agreement to reduce a certain number of terminations resulting from this. Negotiations on lay-offs will take place in the nearest future, and as soon as new manning lists are ready.

The company has notified NAV of expected mass dismissals due to reduced activity. The total number need possibly to be adjusted when the process is completed.

If the situation changes so that the company needs more personnel for new assignments, the reduced number of dismissals or re-employments will be discussed with the local union. It is known that Maersk Inspirer is expected to start drilling operations in 2021, but the timeline for crewing is currently unknown.

It was discussed whether it might be relevant to offer someone a reduced position. Final decision on this subject will be made on an individual basis at meetings according to § 15-1 of the AML.

Furthermore, the possibility that the company could offer severance pay to those who were terminated was discussed. The company finds no basis for this - which is in line with the practice of the industry. However, the company will be open to individual agreements for older employees who are considering retiring.

If it turns out that the principles used for these discussions do not work as intended, this will be discussed with the local branch of the trade union.

Selection

The parties discussed criteria for selection related to downsizing of personnel. The company stated that the selection will be based on the provisions of the Basic Agreement § 6.2, stating that company seniority will be followed under otherwise similar conditions.

In this regard, reference is also made to the Agreement on Company Seniority, etc. by layoffs / mass dismissals / downsizing of crew dated June 9, 2015 and clarification of the Seniority Agreement dated March 16, 2016.

The company also wants to use the following criteria when selecting:

- Competence and qualifications
- Social conditions
- Age
- Efforts and execution of work

- Absence

The MAF believes that MDN's selection criteria outlined by bullet points 4 and 5 (Efforts and Execution of Work and Absence) cannot be used. If MDN nevertheless uses these criteria in selection, then MAF will recommend employees who are considered terminated due to the above, to include this in and during the individual AML 15.1 meeting (Discussion before deciding on termination).

The parties agree that those who do not up front have the seniority to remain in their current position and are given the opportunity to try their seniority in another position for which they qualify are not to be considered dismissals on subsequent amendments of employment. Qualifications in this context also include the contingency functions related to their position in accordance with the contingency plan, eg smoke diving.

How can the unfortunate aspects of dismissals be reduced?

The company will assist the individual in obtaining the support and assistance needed in the aftermath of the dismissal.

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

The company stated that anyone who will be affected by a possible downsizing of personnel will be granted right of re-instatement, of the Working Environment Act § 14-2. This right applies in accordance with § 14-2, third paragraph, for employees who have been employed in the company for a total of at least 12 months during the last two years. All employees who are terminated related to this retain the right to extended preferential rights for two years, see Protocol of Agreement from the wage settlement dated 25 May 2018, point 10.

In practice, this means that the company will contact the individual dismissed when a possible new need for personnel arises by sending an email to the employee with information about a vacancy, where the employee must confirm to the company if he / she is interested.

The individual dismissed will not necessarily be offered reemployment in the position from which he was dismissed, the individual may also be offered reappointment in other positions in accordance with the Seniority Protocol. If the person chooses to refuse such an offer, the right to reemployment shall be deemed to have expired.

The MAF requests the Company to consider the possibility that those who become redundant in Norway may be offered a position at Maersk Drilling on another shelf.

Individual discussions

After completion of these discussions, the company will start individual discussions with employees in accordance with § 15-1 of the AML. The parties agree that summons for discussions may be sent by e-mail with telephone follow-up. It is also agreed that the meetings will be arranged by telephone. MAF will be available to its members in these meetings.

The final decision on termination will be taken in the aftermath of these discussions.

Dismissals

It is agreed that the company will contact those who are decided to be terminated by telephone but that notice of termination can be sent by e-mail. The notice shall then

be deemed to have taken place when the notice has arrived at the employee's inbox. Alternatively, the company will send the notice by registered mail.

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

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for MAERSK DRILLING NORGE AS

for MAERSK ANSATTES
FORENING

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CEO

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