UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report:

Commission file number: 001-39327

SEADRILL LIMITED

(Exact name of Registrant as specified in its charter)

Bermuda

(Jurisdiction of incorporation or organization)

Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda

(Address of principal executive offices)

Karen Crowe
Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda
Tel: +1 (441) 242-1500

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of class	Trading Symbol	Name of exchange on which registered
None	None	None

Securities registered or to be registered pursuant to Section 12(g) of the Act: None
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: Common shares $0.01 par value

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

As at December 31, 2021, there were 100,384,435 common shares, par value $0.10 per share, of the Registrant's common shares issued and outstanding.

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ **Yes** ☒ **No**

If this report is an annual report or transition report, indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ **Yes** ☒ **No**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

☒ **Yes** ☐ **No**

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit the files).

☒ **Yes** ☐ **No**

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ **Accelerated filer** ☐

Non-accelerated filer ☒ **Emerging growth company** ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the Registrant has used to prepare the financial statements included in this filing:

☒ **U.S. GAAP**

☐ **International Financial Reporting Standards as issued by the International Accounting Standards Board**

☐ **Other**

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow.

☐ **Item 17**

☐ **Item 18**

If this is an annual report, indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ **Yes** ☒ **No**

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☒ **Yes** ☐ **No**

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, or the PSLRA, and are including this cautionary statement in connection therewith. The PSLRA provides safe harbor protections for forward-looking statements to encourage companies to provide prospective information about their business.

This annual report and any other written or oral statements that reflect the Company's current views with respect to future events and financial and operational performance. All statements other than statements of historical facts included in the annual report, including, but not limited to, statements relating to the Company's financial position, the risks specific to the Company's business, the strengths of the Company, business strategy and the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, are forward-looking statements.

These forward-looking statements can often, but not necessarily, be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors and matters discussed elsewhere in this annual report, and in the documents incorporated by reference to this report, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- our ability to maintain relationships with suppliers, customers, employees and other third parties following emergence from the Chapter 11 Proceedings;
- our ability to maintain and obtain adequate financing to support our business plans following emergence from the Chapter 11 Proceedings;
- factors related to the offshore drilling market, including volatility and changes in oil and gas prices and the state of the global economy on market outlook for our various geographical operating sectors and classes of rigs;
- the impact of global economic conditions, including potential trade wars;
- supply and demand for drilling units, changes in new technology and competitive pressure on utilization rates and dayrates;
- customer contracts, including contract backlog, contract commencements, contract terminations, contract option exercises, contract revenues, contract awards and rig mobilizations;
- the repudiation, nullification, modification or renegotiation of drilling contracts;
- delays in payments by, or disputes with, our customers under our drilling contracts or the outcome of litigation, legal proceedings, investigations or other claims or contract disputes;
- fluctuations in the market value of our drilling units and the amount of debt we can incur under certain covenants in our debt financing agreements;
- potential additional asset impairments;
- our liquidity and the adequacy of cash flows for our obligations;
- downtime and other risks associated with offshore rig operations and ability to successfully employ our drilling units;
- our expected debt levels;
- the impact of the operating and financial restrictions imposed by covenants in our debt agreements;
- the ability of our affiliated or related companies to service their debt requirements and comply with the provisions contained in their loan agreements;
- credit risks of our key customers;
- political and other uncertainties, including political unrest, risks of terrorist acts, war and civil disturbances, public health threats, piracy, corruption, significant governmental influence over many aspects of local economies, or the seizure, nationalization or expropriation of property or equipment;
- the concentration of our revenues in certain geographical jurisdictions;
- limitations on insurance coverage, such as war risk coverage, in certain regions;
- any inability to repatriate income or capital;
- the operation and maintenance of our drilling units, including complications associated with repairing and replacing equipment in remote locations and maintenance costs incurred while idle;
- newbuildings, upgrades, shipyard and other capital projects, including the completion, delivery and commencement of operation dates;
- import-export quotas;

- wage and price controls and the imposition of trade barriers;
- our ability to attract and retain skilled personnel on commercially reasonable terms, whether due to labor regulations, unionization, or otherwise;
- internal control risk due to significant employee reductions;
- regulatory or financial requirements to comply with foreign bureaucratic actions, including potential limitations on drilling activity, changing taxation policies, the impact of global climate change or air emissions and other forms of government regulation and economic conditions that are beyond our control;
- the level of expected capital expenditures, our expected financing of such capital expenditures, and the timing and cost of completion of capital projects;
- fluctuations in interest rates or exchange rates and currency devaluations relating to foreign or U.S. monetary policy;
- future losses generated from investments in associated companies or receivable balances held with associated companies;
- tax matters, changes in tax laws, treaties and regulations, tax assessments and liabilities for tax issues, including those associated with our activities in Bermuda, Brazil, Norway, the United Kingdom, the United Arab Emirates, Nigeria, Mexico, and the United States;
- legal and regulatory matters, including the results and effects of legal proceedings, and the outcome and effects of internal and governmental investigations;
- hazards inherent in the drilling industry and marine operations causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by governmental authorities, third parties or customers and the suspension of operations;
- customs and environmental matters and potential impacts on our business resulting from climate-change or greenhouse gas legislation or regulations, and the impact on our business from climate-change related physical changes or changes in weather pattern;
- the occurrence of cybersecurity incidents, attacks or other breaches to our information technology systems, including our rig operating systems;
- other important factors described from time to time in the reports filed or furnished by us with the SEC.

We caution readers of this report on Form 20-F not to place undue reliance on these forward-looking statements, which speak to circumstances only as at their dates. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

We qualify all of our forward-looking statements by these cautionary statements. See Item 3.D - "Risk Factors". You should read this report and the documents that we have filed as exhibits to this report completely and with the understanding that our actual future results may be materially different from our expectations.

PART I.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Except where the context otherwise requires or where otherwise indicated, the terms "Seadrill", "the Group", "we", "us", "our", "the Company" and "our Business" refer to either Seadrill Limited, any one or more of its consolidated subsidiaries, or to all such entities.

References to the term "Successor" refers to the financial position and results of operations of Seadrill after February 22, 2022. This is also applicable to terms "Seadrill", "the Group", "we", "us", "our", "the Company" or "our Business" in context of events after emergence from Chapter 11 Proceedings on February 22, 2022.

References to the term "Predecessor" refers to the financial position and results of operations of Seadrill prior to, and including, February 22, 2022. This is also applicable to terms "Seadrill", "the Group", "we", "us", "our", "the Company" or "our Business" in context of events before emergence from our Chapter 11 Proceedings on February 22, 2022.

Unless otherwise indicated or the context otherwise requires, references in this report to the terms below have the following meanings:

- "AOD" means Asia Offshore Drilling Limited, an exempted company limited by shares incorporated under the laws of Bermuda with registration number 44712.
- "Archer" means Archer Limited, a global oilfield service company that specializes in drilling and well services. Our held for sale subsidiary, NSNCo, has a 15.7% ownership interest in the company.
- "Bankruptcy Court" means the United States Bankruptcy Court for the District of South Texas Division;
- "Chapter 11 Proceedings" means reorganization proceedings under Chapter 11 of Title 11 of the United States Code.
- "Companies Act" means the Companies Act 1981 of Bermuda, as amended from time to time;
- "Debtors" means Seadrill Limited and certain of its subsidiaries which filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court;
- "Effective Date" means the date of the Debtors' emergence from bankruptcy proceedings in accordance with the terms and conditions of the Plan on February 22, 2022;
- "Euronext Expand" means the Norwegian Euronext Expand market of the Oslo Stock Exchange;
- "Exchange Act" means the Securities Exchange Act of 1934, as amended;
- "Fintech" means Fintech Investment Limited, our joint venture partner for SeaMex;
- "Gulf Drilling International" or "GDI" refers to our joint venture partner for Gulfdrill;
- "Gulfdrill" means Gulfdrill LLC, a limited liability company formed under the companies regulations of Qatar with QFC number 00770;
- "Hemen" means Hemen Holding Limited, a Cyprus holding company with registration number HE87804 and Hemen Investments Limited, a Cyprus holding company with registration number HE371665;
- "Mermaid" means Mermaid International Ventures, who used to have a 33.76% ownership interest in AOD;
- "NODL" means: Northern Drilling Ltd, listed on the Oslo Stock Exchange under the trading symbol "NODL";
- "NOL" means Northern Ocean Ltd, listed on the Norwegian Over The Counter under the trading symbol "NOL";
- "Northern Drilling" means both NODL and NOL;
- "NSNCo" means Seadrill New Finance Limited, an exempted company limited by shares incorporated under the laws of Bermuda with registration number 53541, formed in connection with the Previous Chapter 11 Proceedings and the issuer of the Senior Secured Notes;
- "NSNCo Plan" means the Chapter 11 Plan of Reorganization filed with the Bankruptcy Court on January 11, 2022, and confirmed by the Bankruptcy Court on January 12, 2022;
- "NYSE" means the New York Stock Exchange;
- "Old Seadrill Limited" or the "Predecessor Company" means Seadrill Limited, an exempted company limited by shares incorporated under the laws of Bermuda with registration number 36832. Old Seadrill Limited was the parent company of Seadrill prior to its emergence from bankruptcy in 2018;

- “OSE” means the Oslo Stock Exchange;
- “Plan” means the Plan of Reorganization, what was filed with the Bankruptcy Court on July 18, 2021 and confirmed by the Bankruptcy Court on October 26, 2021;
- “Previous Chapter 11 Proceedings” mean the Chapter 11 cases commenced on September 12, 2017 in the United States Bankruptcy Court of the Southern District of Texas;
- “Reorganization” means the transactions described under the heading “Chapter 11 Reorganization” in Item 4A and those transactions contemplated by the Plan;
- “Sapura Energy” means Sapura Energy Berhad. We previously held an investment in Sapura Energy. Sapura Energy is also our joint venture partner for Seabras Sapura;
- “Seabras Sapura” refers to our joint venture with Sapura Energy. We refer to our investments in Seabras Sapura Participacoes SA and Seabras Sapura Holding GmbH together as “Seabras Sapura”.
- “Seadrill Partners” means Seadrill Partners, LLC, a limited liability company formed under the Laws of the Republic of The Marshall Islands with registration number 962166;
- “SeaMex” means SeaMex Limited, a limited liability company formed under the Laws of Bermuda with registration number 48115;
- “Senior Secured Notes” means the Senior Secured Notes issued by NSNCo in connection with the Previous Chapter 11 Proceedings, as amended by the NSNCo Plan;
- "Shares" means common shares, par value $0.01 per share, of Seadrill Limited;
- "SFL" means SFL Corporation Ltd, formerly Ship Finance International Limited;
- "SFL SPVs" refer to the legal subsidiaries of SFL Corporation Ltd that own the semi-submersible rigs *West Taurus* and *West Hercules* and the jack-up rig *West Linus*. These companies were consolidated by Seadrill until December 15, 2020;
- "Sonadrill" refers to Sonadrill Holding Ltd, a limited liability company registered in England with registration number 11922814; and

Throughout the report we refer to customers, suppliers and other key partners by the names they are commonly known by instead of their full legal names.

References in this annual report to “Total”, “Petrobras”, “ExxonMobil”, “LLOG”, “Saudi Aramco”, “ConocoPhillips” and “Equinor” refer to our key customers Total S.A., Petroleo Brasileiro S.A., Exxon Mobil Corporation, LLOG Exploration Company LLC, Saudi Arabian Oil Company, ConocoPhillips and Equinor ASA, respectively.

Unless otherwise indicated, all references to “US$” and “$” in this annual report are to, and amounts are presented in, US dollars. All references to “€” are to euros, all references to “£” or “GBP” are to pounds sterling, all references to “NOK” are to Norwegian krone and all references to “SEK” are to Swedish krona.

A. SELECTED FINANCIAL DATA

Our selected Statement of Operations and other financial data with respect to the fiscal years ended December 31, 2021, 2020 and 2019 and our selected balance sheet data as at December 31, 2021 and 2020 have been derived from our Consolidated Financial Statements included in Item 18 of this annual report, or the Consolidated Financial Statements, which have been prepared in accordance U.S. GAAP.

The following table should be read in conjunction with Item 5 - “Operating and Financial Review and Prospects” and the Consolidated Financial Statements and notes thereto, which are included herein. Our Consolidated Financial Statements are maintained in U.S. dollars. We refer you to the notes to the Consolidated Financial Statements for a discussion of the basis on which the Consolidated Financial Statements are prepared, and we draw your attention to the statement regarding the application of fresh start accounting as described in Note 1 - "General information" to the Consolidated Financial Statements included herein.

The below table summarizes certain line items from the Consolidated Statements of Operations for the last three fiscal years.

(In $ millions except common share and per share data)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Statement of Operations Data:			
Total operating revenues	1,008	1,059	1,388
Net operating loss	(157)	(4,482)	(295)
Loss from continuing operations	(592)	(4,448)	(720)
Income/(loss) from discontinued operations	5	(215)	(502)
Net loss	(587)	(4,663)	(1,222)
Basic/diluted loss per share from continuing operations	(5.90)	(44.29)	(7.16)
Basic/diluted loss per share	(5.85)	(46.43)	(12.18)

The below table summarizes certain line items from the consolidated balance sheets for the last three fiscal years.

(In $ millions except common share and per share data)	December 31,		
	2021	2020	2019
Balance Sheet Data (at end of period):			
Cash and cash equivalents, including restricted cash	535	659	1,305
Drilling units	1,777	2,120	6,401
Investment in associated companies	27	24	24
Assets held for sale	1,103	685	1,001
Total assets	3,879	3,961	9,279
Long-term debt (including current portion)	—	5,662	6,147
Liabilities associated with assets held for sale	948	546	503
Common share capital	10	10	10
Total (deficit)/equity	(3,716)	(3,140)	1,793
Common shares outstanding (in millions)	100	100	100
Weighted average common shares outstanding (in millions)	100	100	100

The below table summarizes certain line items from the consolidated cashflow statements for the last three fiscal years.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Statement of Cash Flows data:			
Operating cash flows	(154)	(420)	(256)
Investing cash flows	37	(32)	(26)
Financing cash flows	—	(163)	(367)

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

Our assets are primarily engaged in offshore contract drilling for the oil and gas industry in benign and harsh environments worldwide, including ultra-deepwater environments. The following risks principally relate to the industry in which we operate and our business in general. Other risks relate principally to the market for and ownership of our securities and our emergence from bankruptcy. The occurrence of any of the events described in this section could materially and negatively affect our business, financial condition, operating results, cash available for the payment of dividends or the trading price of our Shares. Unless otherwise indicated, all information concerning our business and our assets is as of December 31, 2021. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

SUMMARY OF RISK FACTORS

Risks Relating to Our Emergence from Bankruptcy

- We recently emerged from bankruptcy, which may adversely affect our business and relationships.
- Our actual financial results after emergence from bankruptcy may not be comparable to our historical financial information as a result of the implementation of the Plan and the transactions contemplated thereby.
- Because our Consolidated Financial Statements will reflect fresh start accounting adjustments made upon emergence from bankruptcy, financial information in our future financial statements will not be comparable to Seadrill's financial information from prior periods.
- We may be subject to claims that were not discharged in the bankruptcy proceedings, which could have a material adverse effect on our operating results and profitability.
- Upon emergence from bankruptcy, the composition of our board of directors changed significantly.

Risks Relating to Our Company and Industry

- The success and growth of our business depend on the level of activity in the offshore oil and gas industry generally, and the drilling industry specifically, which are both highly competitive and cyclical, with intense price competition and volatility.
- Historical downturns in activity in the oil and gas drilling industry has had an adverse impact on our business and operating results, and any future downturn or volatile market conditions is likely to adversely impact our business and operating results.
- Our customers may seek to cancel or renegotiate their contracts to include unfavorable terms such as unprofitable rates, particularly in the circumstance that operations are suspended or interrupted.
- Our contract backlog for our fleet of drilling units may not be realized.
- We may not be able to renew or obtain new and favorable contracts for our drilling units whose contracts have expired or have been terminated.
- The market value of our drilling units may decrease.
- Our business and operations involve numerous operating hazards, and in the current market we are increasingly required to take additional contractual risk in our customer contracts and we may not be able to procure insurance to adequately cover potential losses.
- We rely on a small number of customers and our operating results could be materially adversely affected if any of our major customers fail to compensate us for our services or if we lose a significant customer contract.
- Some of our drilling contracts contain fixed terms and day-rates, and consequently we may not fully recoup our costs in the event of a rise in expenses, including reactivation, operating and maintenance costs.
- We may be unable to obtain, maintain, and/or renew permits necessary for our operations or experience delays in obtaining such permits including the class certifications of rigs.
- The international nature of our operations involves additional risks including foreign government intervention in relevant markets, for example in Brazil.
- Compliance with, and breach of, the complex laws and regulations governing international trade could be costly, expose us to liability and adversely affect our operations.
- We are subject to complex environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business.
- Failure to comply with international anti-corruption legislation, including the U.S. Foreign Corrupt Practices Act 1977 or the U.K. Bribery Act 2010, could result in fines, criminal penalties, damage to our reputation and drilling contract terminations.
- If our drilling units are located in or connected to countries that are subject to, or targeted by, economic sanctions, export restrictions, or other operating restrictions imposed by the United States, the United Kingdom, European Union or other governments, our reputation and the market for our debt and Shares could be adversely affected.
- We have suffered, and may continue to suffer, losses through our investments in other companies in the offshore drilling and oilfield services industry, which could have a material adverse effect on our business, financial condition, operating results and cash flows.
- Our ability to operate our drilling units in the U.S. Gulf of Mexico could be impaired by governmental regulation, particularly in the aftermath of the moratorium on offshore drilling in the U.S. Gulf of Mexico, and regulations adopted as a result of the investigation into the Macondo well blowout.
- Failure to obtain or retain highly skilled personnel, and to ensure they have the correct visas and permits to work in the locations in which they are required, could adversely affect our operations.

- Labor costs and our operating restrictions that apply could increase following collective bargaining negotiations and changes in labor laws and regulations.
- Climate change and the regulation of greenhouse gases could have a negative impact on our business.
- Our drilling contracts with national oil companies may expose us to greater risks than we normally assume in drilling contracts with non-governmental customers.
- The coronavirus, or COVID-19, pandemic has affected and may materially adversely affect, and any future outbreak of any other highly infectious or contagious diseases may materially adversely affect, our operations and our financial performance and condition, operating results and cash flows.

Risks Relating to Our Shareholders

- The price of the Shares may be volatile or may decline regardless of our operating performance, and investors may not be able to resell the Shares at or above their initial purchase price.
- The market price of our Shares has fluctuated widely and may fluctuate widely in the future.
- Substantial sales of or trading in the Shares could occur, which could cause the share price to be adversely affected.
- We may pay little or no dividends on the Shares.
- U.S. tax authorities may treat us as a "passive foreign investment company" for U.S. federal income tax purposes, which may have adverse tax consequences for U.S. shareholders.
- Because we are a foreign corporation, you may not have the same rights that a shareholder in a U.S. corporation may have.
- We are not listed on any U.S. national securities exchange, which could affect the ability of U.S. shareholders to resell their Shares or affect liquidity or price.
- Our Bye-Laws limit shareholders' ability to bring legal action against its officers and directors.
- Investors with Shares registered in a nominee account will need to exercise voting rights through their nominee.

General Risk Factors

- The economic effects of "Brexit" may affect relationships with existing and future customers and could have an adverse impact on our business and operating results.
- We may recognize impairments on long-lived assets, including goodwill and other intangible assets, or recognize impairments on our equity method investments.
- Interest rate fluctuations could affect our earnings and cash flows.
- The transition away from LIBOR may adversely affect our cost to obtain financing and cause our debt service obligations to increase significantly.
- Fluctuations in exchange rates and the non-convertibility of currencies could result in losses to us.
- A change in tax laws in any country in which we operate could result in higher tax expense.
- A loss of a major tax dispute or a successful tax challenge to our operating structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries could result in higher taxes on our worldwide earnings, which could result in a significant negative impact on our earnings and cash flows from operations.
- Legislation enacted in Bermuda as to Economic Substance many affect our operations.
- We may be subject to litigation, arbitration, other proceedings and regulatory investigations that could have an adverse effect on us.
- If we fail to comply with requirements relating to internal control over financial reporting our business could be harmed and our Share price could decline.
- Data protection and regulations related to privacy, data protection and information security could increase our costs, and our failure to comply could result in fines, sanctions or other penalties, which could materially and adversely affect our operating results, as well as have an impact on our reputation.

Risks related to Our Emergence from Bankruptcy

We recently emerged from bankruptcy, which may adversely affect our business and relationships. We cannot be certain that the bankruptcy proceeding will not adversely affect our operations going forward.

We operated in bankruptcy from February 7, 2021 (with respect to certain of our subsidiaries) or February 10, 2021 to February 22, 2022. It is possible that our having filed for bankruptcy and our recent emergence from bankruptcy may adversely affect our business and relationships with customers, vendors, contractors or employees. Due to uncertainties, many risks exist, including the following:

- key customers may terminate their relationships with us or require additional financial assurances or enhanced performance from us;
- our ability to renew existing contracts and compete for new business may be adversely affected;
- our ability to attract, motivate and/or retain key executives may be adversely affected; and
- competitors may take business away from us, and our ability to attract and retain customers may be negatively impacted.

The occurrence of one or more of these events could have a material and adverse effect on our operations, financial condition and reputation. We cannot assure you that having been subject to bankruptcy protection will not adversely affect our operations in the future.

Our actual financial results may differ substantially from the projected financial information prepared for the bankruptcy proceedings.

In connection with the disclosure statement we filed with the Bankruptcy Court, and the hearing to consider confirmation of the Plan, we prepared projected financial information to demonstrate to the Bankruptcy Court the feasibility of the Plan and our ability to continue operations upon our emergence from bankruptcy. Those projections were prepared solely for the purpose of bankruptcy proceedings and have not been, and will not be, updated on an ongoing basis and should not be relied upon by investors. At the time they were prepared, the projections reflected numerous assumptions concerning our anticipated future performance with respect to prevailing and anticipated market and economic conditions that were and remain beyond our control and that may not materialize. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks and the assumptions underlying the projections and/or valuation estimates may prove to be wrong in material respects. Actual results may vary significantly from those contemplated by the projections. As a result, investors should not rely on these projections.

Because our Consolidated Financial Statements will reflect fresh start accounting adjustments made upon emergence from bankruptcy, financial information in our future financial statements will not be comparable to Seadrill's financial information from prior periods.

Upon emergence from Chapter 11 Proceedings, on February 22, 2022, we adopted fresh start accounting in accordance with the provisions set forth in ASC 852, Reorganizations. Adopting fresh start accounting results in a new financial reporting entity with no retained earnings or deficits brought forward. Upon the adoption of fresh start accounting, our assets and liabilities were recorded at their fair values which differ materially from the recorded values of our assets and liabilities as reflected in the Predecessor historical Consolidated Balance Sheets. Thus, our future Consolidated Balance Sheets and Statements of Operations will not be comparable in many respects to Consolidated Balance Sheets and Statements of Operations data for periods prior to adoption of fresh start accounting. You will not be able to compare information reflecting our post-emergence Consolidated Financial Statements to information for periods prior to emergence from bankruptcy, without adjusting for fresh start accounting. The lack of comparable historical information may discourage investors from purchasing our Shares. Additionally, the financial information contained in this annual report on Form 20-F may not be indicative of future financial information.

We may be subject to claims that were not discharged in the bankruptcy proceedings, which could have a material adverse effect on our operating results and profitability.

Substantially all the material claims against the Debtors that arose prior to the date of the bankruptcy filing were addressed during the Chapter 11 Proceedings or were resolved in connection with the Plan and the order of the Bankruptcy Court confirming the Plan. However, we may be subject to claims that were not discharged in the Chapter 11 Proceedings. Circumstances in which claims and other obligations that arose prior to the bankruptcy filing that were not discharged primarily relate to certain actions by governmental units under police power authority, where we have agreed to preserve a claimant's claims, as well as, potentially, instances where a claimant had inadequate notice of the bankruptcy filing. In addition, except in limited circumstances, claims against non-debtor subsidiaries, are generally not subject to discharge under the Bankruptcy Code. To the extent any pre-filing liability remains, the ultimate resolution of such claims and other obligations may have a material adverse effect on our operating results, profitability and financial condition.

Upon emergence from bankruptcy, the composition of our board of directors changed significantly.

The composition of our board of directors changed significantly upon emergence from bankruptcy. Our new board is comprised of the following members: Julie Johnson Robertson, Mark McCollum, Karen Dyrskjot Boesen, Jean Cahuzac, Jan Kjaervik, Andrew Schultz and Paul Smith. While we expect to engage in an orderly transition process as we integrate newly appointed board members, our new board of directors may change views on strategic initiatives and a range of issues that will determine the future of the Company. As a result, the future strategy and plans of the Company may differ materially from those of the past.

Risks Relating to Our Company and Industry

The success and growth of our business depend on the level of activity in the offshore oil and gas industry generally, and the drilling industry specifically, which are both highly competitive and cyclical, with intense price competition and volatility.

Our business depends on the level of oil and gas exploration, development and production in offshore areas worldwide that is influenced by oil and gas prices and market expectations of potential changes in these prices.

Oil and gas prices are extremely volatile and are affected by numerous factors beyond our control, including, but not limited to, the following:

- worldwide production of, and demand for, oil and gas and geographical dislocations in supply and demand;
- the cost of exploring for, developing, producing and delivering oil and gas;
- expectations regarding future energy prices and production;
- advances in exploration, development and production technology;
- the ability or willingness of the Organization of the Petroleum Exporting Countries, or OPEC, and other non-member nations, including Russia, to set and maintain levels of production and pricing;
- the decision of OPEC or other non-member nations to abandon production quotas and/or member-country quota compliance within OPEC agreements;

- the level of production in non-OPEC countries;
- international sanctions on oil-producing countries, or the lifting of such sanctions;
- export licensing requirements impacting the ability to export equipment to or from certain countries;
- government regulations, including restrictions on offshore transportation of oil and natural gas;
- local and international political, economic and weather conditions;
- domestic and foreign tax policies;
- the development and exploitation of alternative fuels and unconventional hydrocarbon production, including shale;
- worldwide economic and financial problems and the corresponding decline in the demand for oil and gas and, consequently, our services;
- the policies of various governments regarding exploration and development of their oil and gas reserves, accidents, severe weather, natural disasters and other similar incidents relating to the oil and gas industry; and
- the worldwide political and military environment, including uncertainty or instability resulting from an escalation or additional outbreak of armed hostilities or other crises in the Middle East, Eastern Europe or other geographic areas or further acts of terrorism in the United States, Europe or elsewhere.

Decreases in oil and gas prices for an extended period of time, or market expectations of potential decreases in these prices, have in the past been shown to negatively affect us and could negatively affect our future performance.

As an example of the volatility in oil prices, Brent fell to $9 a barrel in April 2020 before a recovery in oil and gas prices toward the end of 2020 and through 2021, with Brent reaching $78 a barrel on December 31, 2021, and increasing to over $100 in 2022. However, there is no guarantee that the oil and gas price recovery will be sustained. Prices can continue to fluctuate and there may be longer periods of lower prices. The supply of rigs in the market has, as a result of longer periods of significant fluctuations in oil and gas prices, continued to outweigh the demand. This trend may continue, and therefore have a damping effect on utilization levels and dayrates.

Continued periods of low demand can cause excess rig supply and intensify competition in our industry, which often results in drilling rigs, particularly older and less technologically-advanced drilling rigs, being idle for long periods of time. We cannot predict the future level of demand for drilling rigs or future condition of the oil and gas industry with any degree of certainty. Any future decrease in exploration, development or production expenditures by oil and gas companies could further reduce our revenues and materially harm our business.

In addition to oil and gas prices, the offshore drilling industry is influenced by additional factors, which could reduce demand for our services and adversely affect our business, including, but not limited to, the following:

- the availability and quality of competing offshore drilling units;
- the availability of debt financing on reasonable terms;
- the level of costs for associated offshore oilfield and construction services;
- oil and gas transportation costs;
- the level of rig operating costs, including crew and maintenance;
- the discovery of new oil and gas reserves;
- the political and military environment of oil and gas reserve jurisdictions; and
- regulatory restrictions on offshore drilling.

The offshore drilling industry is highly competitive and fragmented and includes several large companies that compete in many of the markets we serve, as well as numerous small companies that compete with us on a local basis. Offshore drilling contracts are generally awarded on a competitive bid basis or through privately negotiated transactions. In determining which qualified drilling contractor is awarded a contract, the key factors are pricing, rig availability, rig location, the condition and integrity of equipment, the rig's and/or the drilling contractor's record of operating efficiency, including high operating uptime, technical specifications, safety performance record, crew experience, reputation, industry standing and customer relations. Our operations may be adversely affected if our current competitors or new market entrants introduce new drilling rigs with better features, performance, prices or other characteristics compared to our drilling rigs, or expand into service areas where we operate.

Competitive pressures and other factors may result in significant price competition, particularly during industry downturns, which could have a material adverse effect on our operating results and financial condition.

Historical downturns in activity in the oil and gas drilling industry has had an adverse impact on our business and operating results, and any future downturn or volatile market conditions is likely to adversely impact our business and operating results.

The oil and gas drilling industry is cyclical but has been in a prolonged down cycle since 2014 and uncertainty remains around the timing and speed of any increase in oil demand, although various industry forecasts anticipate oil demand to recover to pre-pandemic levels in 2022.

If we are unable to secure contracts for our drilling units upon the expiration of our existing contracts, we may stack our units. When idled or stacked, drilling units do not earn revenues, but continue to require cash expenditures for crews, fuel, insurance, berthing and associated items. As of December 31, 2021, we had 0 "warm stacked", which means the rig is kept operational and ready for redeployment, and maintains most of its crew, 10 "cold stacked" units (2 of which are future contracted), which means the rig is stored in a harbor, shipyard or a designated offshore area, and the crew is reassigned to an active rig or dismissed. Without new drilling contracts or additional financing being available when needed or available only on unfavorable terms, we may be unable to meet our obligations as they come due or we may be unable to enhance our existing business, complete additional drilling unit acquisitions or otherwise take advantage of business opportunities as they arise.

During volatile market conditions or expected downturns, our customers may also seek to cancel or renegotiate our contracts for various reasons, including adverse conditions, resulting in lower revenue. Our inability, or the inability of our customers to perform, under our or their contractual obligations may have a material adverse effect on our financial position, operating results and cash flows.

From time to time, we are approached by potential buyers for the outright purchase of some of our drilling units, businesses, or other fixed assets. We may determine that such a sale would be in our best interests and agree to sell certain drilling units or other assets. Such a sale could have an impact on short-term liquidity and net income. We may recognize a gain or loss on disposal depending on whether the fair value of the consideration received is higher or lower than the carrying value of the asset.

We do not know when the market for offshore drilling units may recover, or the nature or extent of any future recovery. There can be no assurance that the current demand for drilling rigs will not further decline in future periods. A future decline in demand for drilling rigs would adversely affect our financial position, operating results and cash flows.

A continuing economic downturn could have a material adverse effect on our revenue, profitability and financial position.

We depend on our customers' willingness and ability to fund operating and capital expenditures to explore, develop and produce oil and gas, and to purchase drilling and related equipment. There has historically been a strong link between the development of the world economy and the demand for energy, including oil and gas. The world economy is currently facing a number of challenges. Concerns persist regarding the debt burden of certain European countries and their ability to meet future financial obligations and the overall stability of the euro. Further, the COVID-19 outbreak has had numerous effects on the global economy and has caused a global economic downturn. While effective vaccination campaigns have supported economic recovery, existing outbreaks and associated restrictions still have an impact on the world economy. A renewed period of adverse development in the outlook for the financial stability of European countries, or market perceptions concerning these and related issues, could reduce the overall demand for oil and natural gas and for our services and thereby could affect our financial position, operating results and cash available for distribution. In addition, turmoil and hostilities in the Ukraine, Korea, the Middle East, North Africa and other geographic areas and countries are adding to the overall risk picture.

Negative developments in worldwide financial and economic conditions could further cause our ability to access the capital markets to be severely restricted at a time when we would like, or need, to access such markets, which could impact our ability to react to changing economic and business conditions. Worldwide economic conditions have in the past impacted, and could in the future impact, lenders willingness to provide credit facilities to our customers, causing them to fail to meet their obligations to us.

A portion of the credit under our secured credit facilities is provided by European banking institutions. If economic conditions in Europe preclude or limit financing from these banking institutions, we may not be able to obtain financing from other institutions on terms that are acceptable to us, or at all, even if conditions outside Europe remain favorable for lending.

An extended period of adverse development in the outlook for the world economy could also reduce the overall demand for oil and gas and for our services. Such changes could adversely affect our operating results and cash flows beyond what might be offset by the simultaneous impact of possibly higher oil and gas prices.

Our business is capital intensive and, to the extent we do not generate sufficient cash from operations, we may need to raise additional funds through public or private debt or equity offerings to fund our capital expenditures. Our ability to access the capital markets may be limited by the terms of our secured credit facilities, our financial condition at the time, by changes in laws and regulations or interpretations thereof and by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. An extended period of deterioration in outlook for the world economy could reduce the overall demand for our services and could also adversely affect our ability to obtain financing on terms acceptable to us or at all.

Any reductions in drilling activity by our customers may not be uniform across different geographic regions. Locations where costs of drilling and production are relatively higher, such as Arctic or deepwater locations, may be subject to greater reductions in activity. Such reductions in high cost regions may lead to the relocation of drilling units, concentrating drilling units in regions with relatively fewer reductions in activity leading to greater competition.

If our lenders and other debt holders are not confident that we are able to employ our assets, we may be unable to secure replacement or additional financing, or amendments to our existing secured credit facilities, on terms acceptable to us or at all.

We may not have sufficient liquidity to meet our obligations as they fall due or have the ability to raise new capital or refinance existing indebtedness on acceptable terms, all of which could adversely affect our business and financial condition.

Our substantial indebtedness could have significant adverse consequences for an investment in us and on our business, financial condition and future prospects, including the following:

- we may not be able to satisfy our financial obligations under our indebtedness and our contractual and commercial commitments;
- we may not be able to obtain financing in the future for working capital, capital expenditures, acquisitions, debt service requirements or other purposes;
- less leveraged competitors could have a competitive advantage because they have lower debt service requirements and, as a result, we may not be better positioned to withstand economic downturns;
- we may be less able to take advantage of significant business opportunities and to react to changes in market or industry conditions than our competitors and our management's discretion in operating our business may be limited; and
- other factors described below.

If for any reason we are unable to meet our debt service and repayment obligations under our secured credit facilities, we would be in default under the terms of the agreements governing such facilities, which may allow our lenders at that time to declare all such indebtedness then outstanding to be immediately due and payable. This may in turn trigger cross-acceleration or cross-default rights under certain of our other agreements. Under these circumstances, if the amounts outstanding under our existing and future credit facilities or other debt agreements were to be accelerated, or were the subject of foreclosure actions, we cannot assure you that our assets would be sufficient to repay in full the money owed to our lenders or to our other creditors. Furthermore, if our assets are foreclosed upon, we will not have any income-producing assets left, and, as such, we may not be able to generate any cash flow in the future.

The covenants under our secured credit facilities impose operating and financial restrictions on us that could significantly impact our ability to operate our business and a breach of which could result in a default under the terms of these agreements, which could accelerate our repayment of funds that we have borrowed.

The terms of our secured credit facilities impose, and future financial obligations may impose, operating and financial restrictions on us. These restrictions may prohibit or otherwise limit our ability to fund our operations or capital needs or to undertake certain other business activities or transactions without consent of the requisite debt holders, which in turn may adversely affect our financial condition. These restrictions include but are not limited to:

- executing other financing arrangements or incurring other indebtedness;
- incurring or guaranteeing additional indebtedness;
- creating or permitting liens on our assets;
- selling our drilling units or the shares of our subsidiaries;
- making investments or acquisitions;
- changing the general nature of our business;
- a prohibition on paying dividends to our shareholders and restrictions on making other types of restricted payments;
- changing the management and/or ownership of the drilling units; and
- making certain capital expenditures.

These restrictions may affect our ability to compete effectively with our competitors to the extent that they are subject to less onerous restrictions. The interests of our lenders and other debt holders may be different from the Company's and we may not be able to obtain their consent when beneficial for our business, which may impact our performance or our ability to obtain replacement or additional financing and/or make certain investments or acquisitions in the future. In addition, the profile of our lenders has changed since emergence from the Chapter 11 Proceedings, with the replacement of certain relationship banks by lenders whose focus may be different in nature. The new profile of our lenders may make it more difficult for us to obtain lender consents when beneficial to our business or otherwise obtain waivers or other consents or approvals which may be required from time to time.

While our lenders under our secured credit facilities benefit from and share in the same security, their interests may not necessarily be aligned, and they may therefore have different views on some or all matters. This may make it more difficult for us to obtain lender consents when beneficial to our business or otherwise obtain waivers or other consents or approvals which may be necessary from time to time.

Following emergence from Chapter 11 Proceedings on the Effective Date, with exception of minimum liquidity requirements, we are exempt from financial covenants until September 30, 2023. Thereafter, in addition to minimum liquidity requirements, we are required to maintain and satisfy certain financial ratios and covenants relating to gross and net leverage. Breach of financial covenants may result in a default under the terms of these agreements, which could accelerate our repayment of funds that we have borrowed.

The time that we spent subject to Chapter 11 Proceedings has utilized some of the period for which we were able to negotiate financial covenant flexibility and reduced the period outside of Chapter 11 Proceedings during which the financial covenants are disapplied.

Certain of our affiliated or related companies may be unable to service their debt requirements and comply with the provisions contained in their debt agreements.

The failure of certain of the Company's affiliated or related companies to service their debt requirements and comply with the provisions contained in their debt agreements may lead to an event of default under such agreements, which may have a material adverse effect on Seadrill.

If a default occurs under the debt agreements of our affiliated or related companies, the lenders and other debt holders could accelerate the outstanding borrowings and declare all amounts outstanding due and payable. In this case, if such entities are unable to obtain a waiver or an amendment to the applicable provisions of the debt agreements, or do not have enough cash on hand to repay the outstanding borrowings, the lenders and other secured debt holders may, among other things, foreclose their liens on the drilling units and other assets securing the loans and other secured debt, if applicable, or seek repayment of such debt from such entities.

Our customers may seek to cancel or renegotiate their contracts to include unfavorable terms such as unprofitable rates, particularly in the circumstance that operations are suspended or interrupted.

During current or worsened market conditions, some of our customers may seek to terminate their agreements with us. Some of our customers have the right to terminate their drilling contracts without cause upon the payment of an early termination fee. The general principle is that such early termination fee shall compensate us for lost revenues less operating expenses for the remaining contract period; however, in some cases, such payments may not fully compensate us for the loss of the drilling contract.

Under certain circumstances our contracts may permit customers to terminate contracts early without the payment of any termination fees, as a result of non-performance, periods of downtime or impaired performance caused by equipment or operational issues, or sustained periods of downtime due to force majeure events beyond our control. In addition, national oil company customers may have special termination rights by law. During periods of challenging market conditions, we may be subject to an increased risk of our customers seeking to repudiate their contracts, including through claims of non-performance. Our customers may seek to renegotiate their contracts with us using various techniques, including threatening breaches of contract and applying commercial pressure, resulting in lower revenue or the cancellation of contracts with or without any applicable early termination payments.

Reduced dayrates in our customer contracts and cancellation of drilling contracts (with or without early termination payments) may adversely affect our financial performance and lead to reduced revenues from operations.

Our contract backlog for our fleet of drilling units may not be realized.

As at December 31, 2021, our contract backlog was approximately $2.2 billion, excluding the backlog attributable to the *West Linus* which was returned to SFL in early 2022. The contract backlog presented in this annual report on Form 20-F and our other public disclosures is only an estimate. The actual amount of revenues earned and the actual periods during which revenues are earned will be different from the contract backlog projections due to various factors, including shipyard and maintenance projects, downtime and other events within or beyond our control. In addition, we or our customers may seek to cancel or renegotiate our contracts for various reasons, including adverse conditions, such as the current environment, resulting in lower revenue. In some instances, contracts provide for a customer to terminate a drilling contract prematurely for convenience on payment of an early termination fee. However, this fee may not adequately compensate us for the loss of this drilling contract. Our inability, or the inability of our customers, to meet contractual obligations may have a material adverse effect on our financial position, operating results and cash flows.

We may not be able to renew or obtain new and favorable contracts for our drilling units whose contracts have expired or have been terminated.

During the previous period of high utilization and high dayrates, which we now believe ended in early 2014, industry participants ordered the construction of new drilling units, which resulted in an over-supply and caused, in conjunction with deteriorating industry conditions, a subsequent decline in utilization and dayrates when the new drilling units entered the market. A relatively large number of the drilling units currently under construction have not been contracted for future work, and a number of units in the existing worldwide fleet are currently off-contract.

As at December 31, 2021, we had 14 owned operating units, zero warm-stacked units and 10 cold-stacked units. The five SeaMex rigs are included within our discontinued operations held for sale and have been classified as managed rigs. Of the 14 operating and two future contracted units we expect seven to become available in 2022 and nine thereafter. Our ability to renew contracts or obtain new contracts will depend on our customers and prevailing market conditions, which may vary among different geographic regions and types of drilling units.

The over-supply of drilling units will be exacerbated by the entry of newbuild rigs into the market, many of which are without firm drilling contracts. The supply of available uncontracted units may intensify price competition as scheduled delivery dates occur and contracts terminate without renewal, reducing dayrates as the active fleet grows.

In addition, as our fleet of drilling units becomes older, any competitive advantage of having a modern fleet may be reduced to the extent that we are unable to acquire newer units or enter into newbuilding contracts as a result of financial constraints. For as long as there is an oversupply of drilling rigs, it may be more difficult for older rigs to secure extensions or new contract awards.

If we are unable to secure contracts for our drilling units upon the expiration of our existing contracts, we may continue to idle or stack our units. When idled or stacked, drilling units do not earn revenues, but continue to require cash expenditures for crews, fuel, insurance, berthing and associated items. As at December 31, 2021 we had 0 units "warm stacked," which means the rig is kept operational and ready for redeployment, and maintains most of its crew, and 10 units "cold stacked," which means the rig is stored in a harbor, shipyard or a designated offshore area, and the crew is reassigned to an active rig or dismissed. Please see "*Some of our drilling contracts contain fixed terms and day-rates, and consequently we may not fully recoup our costs in the event of a rise in expenses, including operating and maintenance costs*" for more information.

The market value of our drilling units may decrease.

The market values of drilling units have been trending lower as a result of the continued decline in the price of oil, which has impacted the spending plans of our customers and utilization of the global fleet. If the offshore drilling industry suffers further adverse developments in the future, the fair market value of our drilling units may decrease further. The fair market value of the drilling units that we currently own, or may acquire in the future, may increase or decrease depending on a number of factors, including:

- the general economic and market conditions affecting the offshore contract drilling industry, including competition from other offshore contract drilling companies;
- the types, sizes and ages of drilling units;
- the supply and demand for drilling units;
- the costs of newbuild drilling units;
- the prevailing level of drilling services contract dayrates;
- governmental or other regulations; and
- technological advances.

If drilling unit values fall significantly, we may have to record an impairment adjustment in our Consolidated Financial Statements, which could adversely affect our financial results and condition. For more information, see "*Historical downturns in activity in the oil and gas drilling industry has had an adverse impact on our business and operating results, and any future downturn or volatile market conditions is likely to adversely impact our business and operating results*".

Our business and operations involve numerous operating hazards, and in the current market we are increasingly required to take additional contractual risk in our customer contracts and we may not be able to procure insurance to adequately cover potential losses.

Our operations are subject to hazards inherent in the drilling industry, such as blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, punch-throughs, cratering, fires, explosions and pollution. Contract drilling and well servicing requires the use of heavy equipment and exposure to hazardous conditions, which may subject us to liability claims by employees, customers and/or third parties. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental or natural resource damage, claims by third parties and/or customers, investigations and other proceedings by regulatory authorities which may involve fines and other sanctions, and suspension of operations. Our offshore fleet is also subject to hazards inherent in marine operations, either while on-site or during mobilization, such as capsizing, sinking, grounding, collision, damage from severe weather (which may be more acute in certain areas where we operate) and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal drilling conditions, failure of subcontractors to perform or supply goods or services or personnel shortages. We customarily provide contract indemnification to our customers for claims relating to damage to or loss of our equipment, including rigs and claims relating to personal injury or loss of life.

Damage to the environment or natural resources could also result from our operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in drilling operations or uncontrolled fires. We may also be subject to property, environmental, natural resource, personal injury, and other legal claims and/or injunctions by private parties, including oil and gas companies, as well as administrative, civil, and/or criminal penalties or injunctions by government authorities.

Our insurance policies and contractual rights to indemnification may not adequately cover losses, and we do not have insurance coverage or rights to indemnity for all risks. Consistent with standard industry practice, our customers generally assume, and indemnify us against certain risks, for example, well control and subsurface risks, and we generally assume, and indemnify against, above surface risks (including spills and other events occurring on our rigs). Subsurface risks indemnified by our customers generally include risks associated with the loss of control of a well, such as blowout or cratering or uncontrolled well-flow, the cost to regain control of or re-drill the well and associated pollution. However, there can be no assurances that these customers will tome third indemnification obligations to us regardless of the agreed contractual position. The terms of our drilling contracts vary based on negotiation, applicable local laws and regulations and other factors, and in some cases, customers may seek to cap indemnities or narrow the scope of their coverage, reducing our level of contractual protection and in turn exposing us to additional risks against which it may not be adequately insured.

In addition, a court, arbitrator, or other dispute resolution body may determine that certain indemnities or other terms in our current or future contracts are not enforceable. For example, in a decision in a case related to the fire and explosion that took place on the unaffiliated Deepwater Horizon Mobile Offshore Drilling Unit in the Gulf of Mexico in April 2010, or the Deepwater Horizon Incident (to which we were not a party), a U.S. District Court invalidated certain contractual indemnities under a drilling contract governed by U.S. law. Further, pollution

and environmental risks generally are not totally insurable. If a significant accident or other event occurs that is not fully covered by our insurance or an enforceable or recoverable indemnity from a customer, the occurrence could adversely affect our performance.

The amount recoverable under insurance, if any, may also be less than the related impact on enterprise value after a loss or not cover all potential consequences of an incident and include annual aggregate policy limits. As a result, we retain the risk through self-insurance for any losses in excess of these limits. Any such lack of reimbursement or suffering of loss in excess of such limits may cause us to incur substantial costs.

We may decide to retain more risk through self-insurance in the future. This self-insurance results in a higher risk of losses, which could be material, which are not covered by third-party insurance contracts. Specifically, we have at times in the past and have currently elected to self-insure for physical damage to rigs and equipment caused by named windstorms in the U.S. Gulf of Mexico due to the excessive cost associated with such coverage and the mobility of the relevant rigs to avoid these windstorms. If we continue to elect to self-insure such risks again in the future and such windstorms cause significant damage to any rig and equipment we have in the U.S. Gulf of Mexico, it could have a material adverse effect on our financial position, operating results and cash flows.

No assurance can be made that we will be able to maintain adequate insurance in the future at rates that we consider reasonable, or that we will be able to obtain insurance against certain risks.

We rely on a small number of customers and our operating results could be materially adversely affected if any of our major customers fail to compensate us for our services or if we lose a significant customer contract.

Our contract drilling business is subject to the risks associated with having a limited number of customers for our services. For the year ended December 31, 2021, our five largest customers, ConocoPhillips, Equinor, Saudi Aramco, Lundin and Sonadrill accounted for approximately 60% of our revenues. In addition, mergers and acquisitions, or other forms of consolidation among oil and gas exploration and production companies will further reduce the number of available customers, which would increase the ability of potential customers to achieve pricing terms favorable to them. Our operating results could be materially adversely affected if any of our major customers fail to compensate us for our services or take actions outlined above. Please see "*Our customers may seek to cancel or renegotiate their contracts to include unfavorable terms such as unprofitable rates, particularly in the circumstance that operations are suspended or interrupted*" above for more information.

We are subject to risks of loss resulting from non-payment or non-performance by our customers and certain other third parties. Some of these customers and other parties may be highly leveraged and subject to their own operating and regulatory risks. If any key customers or other parties default on their obligations to us, our financial results and condition could be adversely affected. Any material non-payment or non-performance by these entities, other key customers or certain other third parties could adversely affect our financial position, operating results and cash flows.

Some of our drilling contracts contain fixed terms and dayrates, and consequently we may not fully recoup our costs in the event of a rise in expenses, including reactivation, operating and maintenance costs.

Our operating costs are generally related to the number of units in operation and the cost level in each country or region where the units are located. A significant portion of our operating costs may be fixed over the short term.

Some of our contracts have dayrates that are fixed over the contract term. To mitigate the effects of inflation on revenues from term contracts, most of our long-term contracts include escalation provisions. These provisions allow us to adjust the dayrates based on stipulated external cost indices. However, actual cost increases may result from events or conditions that do not cause correlative changes to the applicable indices, or relate to the indices at all. Furthermore, certain indices are updated annually, and therefore may be outdated at the time of adjustment. The adjustments are typically performed on an annual basis. For these reasons, the timing and amount awarded as a result of such adjustments may differ from our actual cost increases, which could adversely affect our financial performance. Some of our long-term contracts contain rate adjustment provisions based on market dayrate fluctuations rather than cost increases. In such contracts, the dayrate could be adjusted downward during a period when operating or other costs are rising, which could adversely affect our financial performance. In addition, our contracts typically contain provisions for either fixed or dayrate compensation during mobilization. These rates may not fully cover our costs of mobilization, and mobilization may be delayed, increasing our costs, without additional compensation from the customer, for reasons beyond or within our control.

We may incur varying levels of expenses relating to preparation for operations in connection with new assignments, including, but not limited to, the scope and length of the required preparations, whether the relevant unit is idle or stacked and reactivation is required, and the duration of the contractual period over which such expenditures are amortized.

Equipment maintenance costs fluctuate depending upon the type of activity that the unit is performing and the age and condition of the equipment, as well as the applicable environmental, safety and maritime regulations and standards. Our operating expenses and maintenance costs depend on a variety of factors, including crew costs, provisions, equipment, insurance, maintenance and repairs, and shipyard costs, many of which are beyond our control.

In situations where our drilling units incur idle time between assignments, any ability to reduce the size of our crews on those drilling units is limited, as the crews will be engaged in preparing the unit for its next contract. When a unit faces longer idle periods, reductions in costs may not be immediate as some of the crew may be required to prepare drilling units for stacking and maintenance in the stacking period. Should units be idle for a longer period, we will seek to redeploy crew members who are not required to maintain the drilling unit to active rigs, to the fullest extent possible. However, there can be no assurance that we will be successful in reducing our costs in such cases.

Operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues. Operating revenues may fluctuate as a function of changes in supply of offshore drilling units and demand for contract drilling services. This could adversely affect our revenue from operations. For more information please see "*The success and growth of our business depend on the level of activity in the offshore oil and gas industry generally, and the drilling industry specifically, which are both highly competitive and cyclical, with intense price competition and volatility*", "*Our customers may seek to cancel or renegotiate their contracts to include unfavorable terms such as unprofitable rates, particularly in the circumstance that operations are suspended or interrupted*" and "*Our contract backlog for our fleet of drilling units may not be realized*".

Consolidation of suppliers and governmental regulation of suppliers may increase the cost of obtaining supplies or restrict our ability to obtain needed supplies.

We rely on certain third parties to provide supplies and services necessary to operate our offshore and onshore operations, including, but not limited to, drilling equipment suppliers, satellite and other electronic data and telecommunications providers, catering suppliers and machinery suppliers. There has been a reduction in the number of available suppliers in certain sectors, resulting in fewer alternatives for sourcing key supplies. With respect to certain items, such as blow-out preventers or "BOPs" and drilling packages, we are dependent on the original equipment manufacturer for repair and replacement of the item or its spare parts. Such consolidation may result in a shortage of supplies and services, thereby increasing the cost of supplies and/or potentially inhibiting the ability of suppliers to deliver on time. These cost increases or delays could have a material adverse effect on our operating results and result in rig downtime, and delays in the repair and maintenance of our drilling rigs.

The COVID-19 pandemic has had an impact on most of our Supply Chain including challenges sourcing materials due to limited supply / restrictions in countries various areas leading to escalating costs and delivery times going out. Logistics is still challenging due to continued country restrictions, port congestion, and new regulatory country and client requirements.

Due to an increasing number of companies in the oil and gas drilling industry entering into Chapter 11 proceedings, or similar bankruptcy proceedings, there have been continued challenges with suppliers. Some suppliers have refused to support drilling companies due to the financial impact that multiple drilling companies have encountered with the Chapter 11 process. Drilling companies have faced suppliers reluctant to enter into agreements, more upfront demand for payment, increased costs as suppliers look to recover losses that they have incurred during past few years and their sub-tier suppliers seeing raw material cost escalations that are being passed up through the supply chain. There has been lower stocking and inventory levels with our core suppliers due to market uncertainty over the past 18 months, and many companies, having made lay-offs during the pandemic, are now short staffed and struggling to fill those positions with experienced workers.

We may be unable to obtain, maintain, and/or renew permits necessary for our operations or experience delays in obtaining such permits including the class certifications of rigs.

The operation of our drilling units will require certain governmental approvals, the number and prerequisites of which cannot be determined until we identify the jurisdictions in which we will operate on securing contracts for the drilling units. Depending on the jurisdiction, these governmental approvals may involve public hearings and costly undertakings on our part. We may not obtain such approvals or such approvals may not be obtained in a timely manner. If we fail to secure the necessary approvals or permits in a timely manner, our customers may have the right to terminate or seek to renegotiate their drilling contracts to our detriment.

Every offshore drilling unit is a registered marine vessel and must be "classed" by a classification society to fly a flag. The classification society certifies that the drilling unit is "in-class," signifying that such drilling unit has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the drilling unit's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned. Our drilling units are certified as being "in class" by the American Bureau of Shipping, or ABS, Det Norske Veritas and Germanisher Lloyd, or DNV GL, and the relevant national authorities in the countries in which our drilling units operate. If any drilling unit loses its flag status, does not maintain its class, fails any periodical survey or special survey and/or fails to satisfy any laws of the country of operation, the drilling unit will be unable to carry on operations and will be unemployable and uninsurable, which could cause us to be in violation of certain covenants in our secured credit facilities. Any such inability to carry on operations or be employed could have a material adverse impact on the operating results.

Certain jurisdictions in which we operate may impose flagging requirements for vessels operating in that jurisdiction. We received notification from the Transport General Authority of Saudi Arabia in October 2020 requiring all rigs operating in Saudi Arabian territorial waters to be registered under the Saudi Arabian flag by March 2021. Registration under the Saudi flag requires the rig owning entity to be at least 51% owned by a local entity, which may have significant adverse implications on the cost of operating the rigs in the Kingdom. In February 2021, the Transport General Authority granted a three-year grace period to comply with this requirement to all affected shipping companies in the Kingdom. Whilst we will be able to rely on the extension for the time being and continue to operate in the Kingdom provided current operating licenses are renewed in the normal course, we are assessing the impact of any future requirement to register under the flag of Saudi Arabia (including the local ownership requirements) on our ability to win future contracts in the Kingdom, and intend to continue to contest the requirement to register our rigs in the Kingdom. The situation in Saudi Arabia is difficult to predict and any inability to carry out operations in Saudi Arabia or any other jurisdiction as a result of our inability to comply with applicable laws and regulations might have an adverse effect on our operating results.

The international nature of our operations involves additional risks including foreign government intervention in relevant markets, for example in Brazil or Angola.

We operate in various regions throughout the world. As a result of our international operations, we may be exposed to political and other uncertainties, particularly in less developed jurisdictions, including risks of:

- terrorist acts, armed hostilities, war and civil disturbances;
- acts of piracy, which have historically affected ocean-going vessels;
- abduction, kidnapping and hostage situations;
- significant governmental influence over many aspects of local economies;
- the seizure, nationalization or expropriation of property or equipment;
- uncertainty of outcome in foreign court proceedings;
- the repudiation, nullification, modification or renegotiation of contracts;
- limitations on insurance coverage, such as war risk coverage, in certain areas;
- political unrest;
- foreign and U.S. monetary policy and foreign currency fluctuations and devaluations;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- import-export quotas, wage and price controls, and the imposition of trade barriers;
- U.S., U.K., European Union and foreign sanctions or trade embargoes;
- receiving a request to participate in an unsanctioned foreign boycott under U.S. law;
- compliance with various jurisdictional regulatory or financial requirements;
- compliance with and changes to taxation;
- interacting and contracting with government-controlled organizations;
- other forms of government regulation and economic conditions that are beyond our control;
- legal and economic systems that are not as mature or predictable as those in more developed countries, which may lead to greater uncertainty in legal and economic matters; and
- government corruption.

In addition, international contract drilling operations are subject to various laws and regulations of the countries in which we operate, including laws and regulations relating to:

- the equipping and operation of drilling units;
- exchange rates or exchange controls;
- the repatriation of foreign earnings;
- oil and gas exploration and development;
- the taxation of offshore earnings and the earnings of expatriate personnel; and
- the use and compensation of local employees and suppliers by foreign contractors.

Some foreign governments favor or effectively require (i) the awarding of drilling contracts to local contractors or to drilling rigs owned by their own citizens, (ii) the use of a local agent or (iii) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may adversely affect our ability to compete in those regions. It is difficult to predict what government regulations may be enacted in the future that could adversely affect the international drilling industry. The actions of foreign governments, including initiatives by OPEC, may adversely affect our ability to compete. Failure to comply with applicable laws and regulations, including those relating to sanctions and export restrictions, may subject us to criminal sanctions or civil remedies, including fines, the denial of export privileges, injunctions or seizures of assets.

In the years ended December 31, 2021, 2020 and 2019, 12%, 5%, and 10%, respectively, of our revenues were derived from our Brazilian operations. The Brazilian government frequently intervenes in the Brazilian economy and occasionally makes significant changes in policy and regulations. The Brazilian government's actions to control inflation and other policies and regulations have often involved, among other measures, changes in interest rates, changes in tax policies, changes in legislation, wage controls, price controls, currency devaluations, capital controls and limits on imports of goods and services. Changes to fiscal and monetary policy, the regulatory environment of our industry, and legislation could impact our performance.

The Brazilian markets have experienced heightened volatility in recent years due to the uncertainties derived from the ongoing investigations being conducted by the Office of the Brazilian Federal Prosecutor, the Brazilian Federal Police, the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), the U.S. Department of Justice, and other Brazilian and foreign public authorities, including the largest such investigation known as Lava Jato, and the impact that such investigations have on the Brazilian economy and political environment. Numerous elected officials, public servants and executives and other personnel of large and state-owned companies have been subject to investigation, arrest, criminal charges and other proceedings in connection with allegations of political corruption, including the acceptance of bribes by means of kickbacks on contracts granted by the government to several infrastructure, oil and gas and construction companies, among others. The profits of these kickbacks allegedly financed the political campaigns of political parties that were unaccounted for or not publicly disclosed and served to personally enrich the recipients of the bribery scheme. Individuals who have had commercial arrangements with us have been identified in the Lava Jato investigations and the investigations by the Brazilian authorities are ongoing. On September 23, 2020, Seadrill's subsidiary Seadrill Serviços de Petroleo, Ltda was served with a search and seizure warrant from the Federal Police in Rio de Janeiro, Brazil as part of the phase of Operation Lava Jato relating to individuals formally associated with Seadrill Serviços. The outcome of certain of these investigations is uncertain, but they have already had an adverse impact on the business, image and reputation of the implicated companies, and on the general market perception of the Brazilian economy. We cannot predict whether such allegations will lead to further political and economic instability or whether new allegations against government officials or executives will arise in the future. We also cannot predict the outcome of any such allegations on the Brazilian economy, and the Lava Jato investigation including its recent phases, could adversely affect our business and operations.

These and other developments in Brazil's political conditions, economy and government policies may, directly or indirectly, adversely affect our business, financial condition and operating results.

Compliance with, and breach of, the complex laws and regulations governing international trade could be costly, expose us to liability and adversely affect our operations.

Our business in the offshore drilling industry is affected by laws and regulations relating to the energy industry and the environment in the geographic areas where we operate.

Accordingly, we are directly affected by the adoption of laws and regulations that, for economic, environmental or other policy reasons, curtail exploration and development drilling for oil and gas. For example, offshore drilling in certain areas, including arctic areas, has been curtailed and, in certain cases, prohibited because of concerns over protecting the environment. In 2015 and 2016, the United States President issued three Presidential Memoranda and an Executive Order withdrawing certain areas of the Outer Continental Shelf in the Atlantic Coast, Alaska, and Arctic from mineral leasing under Section 12(a) of the Outer Continental Shelf Land Act. Canada issued a similar ban on new drilling in Canadian Arctic waters in December 2016. President Trump issued Executive Order 13795 on April 28, 2017, directing the Department of the Interior to reconsider prior actions to limit or regulate offshore oil and gas development and revoking the 2015 and 2016 withdrawals. On January 20, 2021, President Biden issued an Executive Order revoking Executive Order 13795 and reinstating the 2015 and 2016 withdrawals. In addition, environmental groups have challenged numerous lease sales offered by the Department of the Interior under the 2017-2022 five-year lease program and that litigation remains pending. As a result, it is difficult to predict if and when such areas may be made available for future exploration activities. Given the long-term trend towards increasing regulation, we may be required to make significant capital expenditures or operational changes to comply with governmental laws and regulations. It is also possible that these laws and regulations may, in the future, add significantly to our operating costs or significantly limit drilling activity.

Import activities are governed by unique customs laws and regulations in each of the countries of operation. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting our operations. Shipments can be delayed and denied export or entry for a variety of reasons, some of which are outside our control and some of which may result from the failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime. Any failure to comply with applicable legal and regulatory trading obligations could also result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, the seizure of shipments, and the loss of import and export privileges.

New laws or other governmental actions that prohibit or restrict offshore drilling or impose additional environmental protection requirements that result in increased costs to the oil and gas industry, in general, or to the offshore drilling industry, in particular, could adversely affect our performance.

The amendment or modification of existing laws and regulations or the adoption of new laws and regulations curtailing or further regulating exploratory or development drilling and production of oil and gas could have a material adverse effect on our business, operating results or financial condition. Future earnings may be negatively affected by compliance with any such new legislation or regulations.

We are subject to complex environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business.

Our operations are subject to numerous international, national, state and local laws and regulations, treaties and conventions in force in international waters and the jurisdictions in which our drilling units operate or are registered, which can significantly affect the ownership and operation of our drilling units. These requirements include, but are not limited to:

- conventions under the auspices of the United Nation's International Maritime Organization ("IMO");
- the International Convention for the Prevention of Pollution from Ships of 1973, as from time to time amended ("MARPOL");
- the International Convention on Civil Liability for Oil Pollution Damage of 1969, as from time to time amended ("CLC");
- the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention"), the International Convention for the Safety of Life at Sea of 1974, as from time to time amended ("SOLAS");
- the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the "ISM Code");
- the IMO International Convention on Load Lines of 1966, as from time to time amended, the International Convention for the Control and Management of Ships' Ballast Water and Sediments in February 2004 (the "BWM Convention");
- EU Directive 2013/30 on the Safety of Offshore Oil and Gas Operations;
- the U.S. Oil Pollution Act of 1990 ("OPA");
- requirements of the U.S. Coast Guard ("USCG");
- requirements of the U.S. Environment Protection Agency ("EPA");
- the U.S. Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA");
- the U.S. Maritime Transportation Security Act of 2002 ("MTSA");
- the U.S. Outer Continental Shelf Lands Act ("OCSLA"); and
- certain regulations of the EU.

Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or implementation of operational changes and may affect the resale value or useful lifetime of our drilling units. These costs could have a material adverse effect on our business, operating results, cash flows and financial condition. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with them or the impact thereof on the resale prices or useful lives of our rigs. Additional conventions, laws and regulations may be adopted which could limit our ability to do business or increase the cost of our doing business and which may materially adversely affect our operations.

Certain environmental laws impose strict, joint and several liability for the remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. Under OPA, for example, owners, operators and bareboat charterers are jointly and severally strictly liable for the discharge of oil within the 200-mile exclusive economic zone around the United States. An oil or chemical spill, for which we are deemed a responsible party, could result in us incurring significant liability, including fines, penalties, criminal liability and remediation or cleanup costs and natural resource damages under other federal, state and local laws, as well as third-party damages, which could have a material adverse effect on our business, financial condition, operating results and cash flows. Future increased regulation of the shipping industry, or modifications to statutory liability schemes could, expose us to further potential financial risk in the event of any such oil or chemical spill.

We and, in certain circumstances, our customers are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our operations, and satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although we have arranged insurance to cover certain environmental risks, such insurance is subject to exclusions and other limits, and there can be no assurance that such insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on our business, operating results, cash flows and financial condition.

Although our drilling units are separately owned by our subsidiaries, under certain circumstances a parent company and all of the unit-owning affiliates in a group under common control engaged in a joint venture could be held liable for damages or debts owed by one of the affiliates, including liabilities for oil spills under OPA or other environmental laws. Therefore, it is possible that we could be subject to liability upon a judgment against us or any one of our subsidiaries.

Our drilling units could cause the release of oil or hazardous substances. Any releases may be large in quantity, above our permitted limits or occur in protected or sensitive areas where the public, environmental groups or governmental authorities have special interests. Any releases of oil or hazardous substances could result in fines and other costs to us, such as costs to upgrade our drilling rigs, clean up the releases and comply with more stringent requirements in our discharge permits, as well as subject us to third party claims for damages, including natural resource damages. Moreover, these releases may result in our customers or governmental authorities suspending or terminating our operations in the affected area, which could have a material adverse effect on our business, operating results and financial condition.

If we are able to obtain from our customers some degree of contractual indemnification against pollution and environmental damages in our contracts, such indemnification may not be enforceable in all instances or the customer may not be financially able to comply with its indemnity obligations in all cases, and we may not be able to obtain such indemnification agreements in the future. In addition, a court may decide that certain indemnities in our current or future contracts are not enforceable.

The insurance coverage we currently hold may not be available in the future, or we may not obtain certain insurance coverage. Even if insurance is available and we have obtained the coverage, it may not be adequate to cover our liabilities, may not be available on satisfactory terms and/or subject to high premiums, or our insurance underwriters may be unable to pay compensation if a significant claim should occur. Any of these scenarios could have a material adverse effect on our business, operating results and financial condition.

Failure to comply with international anti-corruption legislation, including the U.S. Foreign Corrupt Practices Act 1977 or the U.K. Bribery Act 2010, could result in fines, criminal penalties, damage to our reputation and drilling contract terminations.

We currently operate, and historically have operated, our drilling units in a number of countries throughout the world, including some with developing economies. We interact with government regulators, licensors, port authorities and other government entities and officials. Also, our business interaction with national oil companies as well as state or government-owned shipbuilding enterprises and financing agencies puts us in contact with persons who may be considered to be "foreign officials" under the U.S. Foreign Corrupt Practices Act of 1977 or the FCPA and the Bribery Act 2010 of the United Kingdom or the U.K. Bribery Act.

In order to effectively compete in some foreign jurisdictions, we utilize local agents and/or establish entities with local operators or strategic partners. All of these activities may involve interaction by our agents with government officials. Even though some of our agents and partners may not themselves be subject to the FCPA, the U.K. Bribery Act or other anti-bribery laws to which we may be subject, if our agents or partners make improper payments to government officials or other persons in connection with engagements or partnerships with us, we could be investigated and potentially found liable for violations of such anti-bribery laws and could incur civil and criminal penalties and other sanctions, which could have a material adverse effect on our business and results of operation.

We are subject to the risk that we or our affiliated companies or their respective officers, directors, employees and agents may take actions determined to be in violation of anti-corruption laws, including the FCPA and the U.K. Bribery Act. Any such violation could result in substantial fines, disgorgement, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, operating results or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

If our drilling units are located in or connected to countries that are subject to, or targeted by, economic sanctions, export restrictions, or other operating restrictions imposed by the United States, the United Kingdom, European Union or other governments, our reputation and the market for our debt and Shares could be adversely affected.

The U.S., the U.K., European Union or and other governments may impose economic sanctions against certain countries, persons and other entities that restrict or prohibit transactions involving such countries, persons and entities. U.S. sanctions in particular are targeted against countries (such as Russia, Venezuela, Iran and others) that are heavily involved in the petroleum and petrochemical industries, which includes drilling activities. U.S., U.K., European Union and other economic sanctions change frequently and enforcement of economic sanctions worldwide is increasing.

In 2010, the United States enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or CISADA, which expanded the scope of the former Iran Sanctions Act. Among other things, CISADA expands the application of sanctions to non-U.S. companies such as ours and introduced limits on such companies and persons that do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products. On August 10, 2012, the U.S. signed into law the Iran Threat Reduction and Syria Human Rights Act of 2012, or the Iran Threat Reduction Act, which places further restrictions on the ability of non-U.S. companies to do business or trade with Iran and Syria. Perhaps the most significant provision in the Iran Threat Reduction Act is that prohibitions in the existing Iran sanctions applicable to U.S. persons will now apply to any foreign entity owned or controlled by a U.S. person. Another major provision in the Iran Threat Reduction Act is that issuers of securities must disclose in their annual and quarterly reports filed with the Commission after February 6, 2013 if the issuer or "any affiliate" has "knowingly" engaged in certain activities involving Iran during the timeframe covered by the report. At this time, we are not aware of any activities conducted by us or by any affiliate, which is likely to trigger such a disclosure requirement. On January 2, 2013, the U.S. signed into law the Iran Freedom and Counter-Proliferation Act of 2012 ("IFCA"), as a part of the National Defense Authorization Act for Fiscal Year 2013. Among other measures, IFCA authorizes broad sanctions on certain activities related to Iran's energy, shipping, and shipbuilding sectors.

On July 14, 2015, the P5+1 and the European Union ("E.U."), at that time including the U.K., announced that they reached a landmark agreement with Iran titled the Joint Comprehensive Plan of Action Regarding the Islamic Republic of Iran's Nuclear Program, or the JCPOA, to significantly restrict Iran's ability to develop and produce nuclear weapons for 10 years while simultaneously easing sanctions directed toward non-U.S. persons for conduct involving Iran, but taking place outside of U.S. jurisdiction and not involving U.S. persons. On January 16, 2016, or the Implementation Day, the United States joined the E.U. and the U.N. in lifting a significant number of their nuclear-related sanctions on Iran following an announcement by the International Atomic Energy Agency, or the IAEA, that Iran had satisfied its respective obligations under the JCPOA.

On May 8, 2018, the U.S. announced that it would be withdrawing from the JCPOA. On August 6, 2018, the U.S. issued Executive Order 13846 which reimposed certain sanctions on Iran effective as of that date and set the reimposition of additional sanctions on Iran effective November 5, 2018. On November 5, 2018, following a wind-down period, the U.S. completed the reimposition of nuclear-related sanctions

against Iran that it had previously lifted in connection with the JCPOA. Since that time the U.S. has issued additional Executive Orders imposing sanctions with respect to Iran.

The Office of Foreign Assets Control ("OFAC") acted several times over 2019 and 2018 to add Iranian individuals and entities to its list of Specially Designated Nationals whose assets are blocked and with whom U.S. persons are generally prohibited from dealing, including re-adding on November 5, 2018, hundreds of individuals and entities that had previously been delisted in connection with the JCPOA. Further, OFAC issued sanctions on specific sectors of the Iranian economy, including the iron, steel, aluminum, and copper sectors (May 8, 2019), the construction, mining, manufacturing, or textiles sectors (January 10, 2020), and the financial sector (October 8, 2020). These sector-wide sanctions also authorize the imposition of secondary sanctions on non-U.S. persons and non-U.S. financial institutions who engage in certain dealings in those sectors, including the potential designation of such persons or financial institutions themselves.

In August 2017, the U.S. passed the "Countering America's Adversaries Through Sanctions Act" (Public Law 115-44) ("CAATSA"), which authorizes imposition of new sanctions on Iran, Russia, and North Korea. The CAATSA sanctions with respect to Russia create heightened sanctions risks for companies operating in the oil and gas sector, including companies that are based outside of the United States. OFAC sanctions targeting Venezuela have likewise increased in the past year, and any new sanctions targeting Venezuela could further restrict our ability to do business in such country. On January 28, 2019, OFAC added the Venezuelan state-owned oil company, Petróleos de Venezuela, S.A., to its List of Specially Designated Nationals and Blocked Persons, increasing the sanctions risk for companies operating in the oil sector. Subsequently, on August 5, 2019, the U.S. issued Executive Order 13884 which further increased sanctions on Venezuela and blocked the entire Government of Venezuela. OFAC has also imposed sanctions on non-Venezuelan firms for operating in Venezuela. On February 18, 2020, OFAC imposed sanctions on Switzerland-based firm Rosneft Trading S.A., due to its operations in the oil sector of Venezuela. On November 30, 2020, OFAC imposed sanctions on the Chinese state owned entity China National Electronics Imports and Export Corporation for providing support to Venezuela government entities. OFAC has since imposed sanctions on additional individuals and entities in a variety of countries involved in the petroleum and petrochemical industries.

In addition to the sanctions against Iran, Russia, and Venezuela, subject to certain limited exceptions, U.S. law continues to restrict U.S. owned or controlled entities from doing business with Cuba and various U.S. sanctions have certain other extraterritorial effects that need to be considered by non-U.S. companies. Moreover, any U.S. persons who serve as officers, directors or employees of our subsidiaries would be fully subject to U.S. sanctions. It should also be noted that other governments are more frequently implementing and enforcing sanctions regimes.

On December 14, 2020, the United States Department of State rescinded its designation of Sudan as a state sponsor of terror. Though U.S. comprehensive sanctions on Sudan had previously been lifted in 2017, certain sanctions and export requirements on Sudan remained. The removal of Sudan's status as a state sponsor of terror has not immediately resulted in a change in sanctions or export restrictions, though OFAC and the U.S. Department of Commerce may engage in a rule making process that will result in certain export license exceptions being applicable for exports to Sudan.

On December 18, 2020, the U.S. Department of Commerce Bureau of Industry and Security ("BIS") designated a number of Chinese parties on the Entity List, including parties involved in the offshore drilling and maritime industries such as China Communications Construction Company Ltd. Most items subject to the Export Administration Regulations ("EAR") now require a license to export or reexport to such parties. On January 14, 2021, BIS added Chinese National Offshore Oil Corporation to the Entity List. On December 23, 2020, BIS also established a Military End User List ("MEUL") and designated over 100 parties from China and Russia on the MEUL, including those in the offshore drilling and maritime industries. BIS has since designated additional persons in China and Russia on the MEUL. Certain items subject to the EAR require a license from BIS to export or reexport to such parties.

Due to the conflict between Russia and Ukraine, starting in February 2022, the United States, European Union, United Kingdom, and other governments (i) designated multiple individuals and entities in Russia and Belarus with ties to those governments and/or financial sectors on their respective sanctions- and export-restricted party lists, (ii) imposed comprehensive sanctions on the so-called Donetsk and Luhansk regions of Ukraine, and (iii) imposed export controls on the export, reexport, and transfer to Russia and Belarus of certain items in the maritime and other sectors.

From time to time, we may enter into drilling contracts with countries or government-controlled entities that are subject to sanctions, export restrictions and embargoes imposed by the U.S. government and/or identified by the U.S. government as state sponsors of terrorism where entering into such contracts would not violate U.S. law, or may enter into drilling contracts involving operations in countries or with government-controlled entities that are subject to sanctions and embargoes imposed by the U.S. government and/or identified by the U.S. government as state sponsors of terrorism. However, this could negatively affect our ability to obtain investors. In some cases, U.S. investors would be prohibited from investing in an arrangement in which the proceeds could directly or indirectly be transferred to or may benefit a sanctioned entity. Moreover, even in cases where the investment would not violate U.S. law, potential investors could view such drilling contracts negatively, which could adversely affect our reputation and the market for our Shares. We do not currently have any drilling contracts or plans to initiate any drilling contracts involving operations in countries or with government-controlled entities that are subject to sanctions and embargoes imposed by the U.S. government and/or identified by the U.S. government as state sponsors of terrorism.

Certain parties with whom we have entered into contracts may be or may be affiliated with persons or entities that are, the subject of sanctions imposed by the United States, the U.K., the E.U. or other international bodies as a result of the annexation of Crimea by Russia in March 2014 and the subsequent conflict between Russia and Ukraine from 2014 through 2022, or malicious cyber-enabled activities. If we determine that such sanctions require us to terminate existing contracts or if we are found to be in violation of such applicable sanctions, our operating results may be adversely affected, or we may suffer reputational harm. Such sanctions may prevent us from performing some or all of our obligations under any potential drilling contracts with Rosneft, which could impact our future revenue, contract backlog and operating results, and adversely affect our business reputation. We may also lose business opportunities to companies that are not required to comply with these sanctions.

As stated above, we believe that we are in compliance with all applicable economic sanctions and embargo laws and regulations and intend to maintain such compliance. However, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Rapid changes in the scope of global sanctions may also make it more difficult for us to remain in compliance. Any violation of applicable economic sanctions could result in civil or criminal penalties, fines, enforcement actions, legal costs, reputational damage, or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in our Shares. Additionally, some investors may decide to divest their interest, or not to invest, in our Shares simply because we may do business with companies that do business in sanctioned countries. Moreover, our drilling contracts may indirectly involve persons subject to sanctions and embargo laws and regulations as a result of actions that do not involve us, or our drilling rigs, and even if those dealings are lawful, it could in turn negatively affect our reputation. Investor perception of the value of our Shares may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

We have suffered, and may continue to suffer, losses through our investments in other companies in the offshore drilling and oilfield services industry, which could have a material adverse effect on our business, financial condition, operating results and cash flows.

We currently hold investments in several other companies in our industry that own/operate offshore drilling rigs with similar characteristics to our fleet of rigs or deliver various other oilfield services. These investments include equity interests in Sonadrill, Gulfdrill and Paratus Energy Services Limited, which owns SeaMex and holds equity interests in Archer and Seabras Sapura. In addition, we have provided subordinated loans to SeaMex and have various intercompany arrangements with SeaMex, Sonadrill and Gulfdrill. These arrangements include management and administrative services agreements pursuant to which we provide SeaMex and Sonadrill with certain management and administrative services charged primarily on a cost-plus mark-up basis.

As at December 31, 2021, the carrying value of our equity investments held by continuing operations in these companies was $27 million. In addition, we had loan and trade receivables due from related parties with a carrying value of $28 million. Please see Note 17 - “Investment in associated companies”, and Note 27 – “Related party transactions” to the Consolidated Financial Statements included herein.

The market value of our equity interest in these companies has been, and may continue to be, volatile and has fluctuated, and may continue to fluctuate, in response to changes in oil and gas prices and activity levels in the offshore oil and gas industry. If we sell our equity interest in an investment at a time when the value of such investment has fallen, we may incur a loss on the sale or an impairment loss being recognized, ultimately leading to a reduction in earnings.

Following an acquisition of 50% of the remaining equity interest in SeaMex on November 2, 2021, SeaMex was consolidated and no longer an associate of Seadrill. From this date the NSNCo group was classified as a discontinued operation and the results from SeaMex were included in this grouping.

We no longer hold any equity interests in Aquadrill, formerly Seadrill Partners or SDLP. On May 24, 2021, Aquadrill emerged from Chapter 11 after successfully completing their reorganization. Existing equity interests in SDLP were canceled, released, and extinguished. As a result, SDLP is no longer an associate or related party of Seadrill.

In current market conditions, we may consider entering into joint venture arrangements where each joint venture partner bareboat charters their rigs into the joint venture entity. Through such a structure, we would seek to manage and operate all joint venture rigs and enable the Group to access additional markets, increase presence in a particular market or secure drilling contracts from counterparties who may only be willing to grant those drilling contracts pursuant to or as part of implementing a joint venture with us. However, any financial return from drilling contracts entered into in respect of our rig will be diluted to the shareholding percentage we hold in the joint venture entity and financial success of the joint venture will depend on the management fee rates we are able to agree with our joint venture partner.

During the years ended December 31, 2021, 2020 and 2019 we recognized impairment charges of nil for 2021 and 2020 and $6 million in 2019 respectively relating to certain of our investments due to declining dayrates and future market expectations for dayrates in the sector.

Our ability to operate our drilling units in the U.S. Gulf of Mexico could be impaired by governmental regulation, particularly in the aftermath of the moratorium on offshore drilling in the U.S. Gulf of Mexico, and regulations adopted as a result of the investigation into the Macondo well blowout.

In the aftermath of the Deepwater Horizon Incident (in which we were not involved), various governmental agencies, including the U.S. Bureau of Safety and Environmental Enforcement (“BSEE”), the U.S. Bureau of Ocean Energy Management (“BOEM”), and the U.S. Occupational Safety and Health Administration (“OSHA”), issued new and revised regulations and guidelines governing environmental protection, public and worker health and safety, financial assurance requirements, inspection programs and other well control measures relating to our drilling rigs.

In order to obtain drilling permits, operators must submit applications that demonstrate compliance with the enhanced regulations, which require independent third-party inspections, certification of well design and well control equipment and emergency response plans in the event of a blowout, among other requirements. Operators have previously had, and may in the future have, difficulties obtaining drilling permits in the U.S. Gulf of Mexico.

In addition, the oil and gas industry has adopted new equipment and operating standards, such as the American Petroleum Institute Standard 53 relating to the design, maintenance, installation and testing of well control equipment. Current and pending regulations, guidelines and standards for safety, environmental and financial assurance such as the above and any other new guidelines or standards the U.S. government or industry may issue (including relating to catastrophic events involving pollution from oil exploration and development activities) or any

other steps the U.S. government or industry may take relating to our business activities, could disrupt or delay operations, increase the cost of operations, increase out-of-service time or reduce the area of operations for drilling rigs in U.S. and non-U.S. offshore areas.

As new standards and procedures are being integrated into the existing framework of offshore regulatory programs, there may be increased costs associated with regulatory compliance and delays in obtaining permits for other operations such as re-completions, workovers and abandonment activities.

We are not able to predict the likelihood, nature or extent of additional rulemaking or when the interim rules, or any future rules, could become final. The current and future regulatory environment in the U.S. Gulf of Mexico could impact the demand for drilling units in the U.S. Gulf of Mexico in terms of overall number of rigs in operations and the technical specification required for offshore rigs to operate in the U.S. Gulf of Mexico. Additional governmental regulations concerning licensing, taxation, equipment specifications, training requirements or other matters could increase the costs of our operations, and escalating costs borne by our customers, along with permitting delays, could reduce exploration and development activity in the U.S. Gulf of Mexico and, therefore, reduce demand for our services. In addition, insurance costs across the industry have increased as a result of the Deepwater Horizon Incident and, in the future, certain insurance coverage is likely to become more costly, and may become less available or not available at all. We cannot predict the potential impact of new regulations that may be forthcoming, nor can we predict if implementation of additional regulations might subject us to increased costs of operating and/or a reduction in the area of operation in the U.S. Gulf of Mexico. As such, our cash flows and financial position could be adversely affected if our ultra-deepwater semi-submersible drilling rigs and ultra-deepwater drillships operating in the U.S. Gulf of Mexico were subject to the risks mentioned above.

In addition, hurricanes, which may increase in frequency and severity as a result of climate change, have from time to time caused damage to a number of drilling units and production facilities unaffiliated to us in the Gulf of Mexico. BOEM and BSEE, have in recent years issued more stringent guidelines for tie-downs on drilling units and permanent equipment and facilities attached to outer continental shelf production platforms, moored drilling unit fitness, as well as other guidelines and regulations in an attempt to increase the likelihood of the survival of offshore drilling units during a hurricane. Implementation of new guidelines or regulations that may apply to our drilling units may subject us to increased costs and limit the operational capabilities of our drilling units.

Failure to obtain or retain highly skilled personnel, and to ensure they have the correct visas and permits to work in the locations in which they are required, could adversely affect our operations.

We require highly skilled personnel in the right locations to operate and provide technical services and support for our business.

Competition for skilled and other labor required for our drilling operations has increased in recent years as the number of rigs activated or added to worldwide fleets has increased, and this may continue to rise. Notwithstanding the general downturn in the drilling industry, in some regions, such as Brazil and Western Africa, the limited availability of qualified personnel in combination with local regulations focusing on crew composition, are expected to further increase the demand for qualified offshore drilling crews, which may increase our costs. These factors could further create and intensify upward pressure on wages and make it more difficult for us to staff and service our rigs. Such developments could adversely affect our financial results and cash flows. Furthermore, as a result of any increased competition for qualified personnel, we may experience a reduction in the experience level of our personnel, which could lead to higher downtime and more operating incidents.

Our ability to operate worldwide, depends on our ability to obtain the necessary visas and work permits for our personnel to travel in and out of, and to work in, the jurisdictions in which we operate. Governmental actions in some of the jurisdictions in which we operate may make it difficult for us to move our personnel in and out of these jurisdictions by delaying or withholding the approval of these permits. If we are not able to obtain visas and work permits for the employees we need for operating our rigs on a timely basis, or for third-party technicians needed for maintenance or repairs, we might not be able to perform our obligations under our drilling contracts, which could allow our customers to cancel the contracts. Please see "*Our customers may seek to cancel or renegotiate their contracts to include unfavorable terms such as unprofitable rates, particularly in the circumstance that operations are suspended or interrupted*" for more information.

Labor costs and our operating restrictions that apply could increase following collective bargaining negotiations and changes in labor laws and regulations.

Some of our employees are represented by collective bargaining agreements. The majority of these employees work in Brazil and Norway. In addition, some of our contracted labor works under collective bargaining agreements. As part of the legal obligations in some of these agreements, we are required to contribute certain amounts to retirement funds and pension plans and are restricted in our ability to dismiss employees. In addition, many of these represented individuals are working under agreements that are subject to salary negotiation. These negotiations could result in higher personnel costs, other increased costs or increased operating restrictions that could adversely affect our financial performance.

Climate change and the regulation of greenhouse gases could have a negative impact on our business.

Due to concern over the risk of climate change, a number of countries, the E.U. and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions in the shipping industry. For example, ships (including rigs and drillships) must comply with IMO and E.U. regulations relating to the collection and reporting of data relating to greenhouse gas emissions. In April 2018, the IMO adopted a strategy to, among other things, reduce the 2008 level of greenhouse gas emissions from the shipping industry by 50% by the year 2050. Other governmental bodies may begin regulating greenhouse gas emissions from shipping sources in the future, but the future of such regulations is difficult to predict.

Compliance with existing regulations and changes in laws, regulations and obligations relating to climate change could increase our costs to operate and maintain our assets, and might also require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions, or administer and manage a greenhouse gas emissions program. Any passage of climate control legislation or other regulatory initiatives by the IMO, the E.U., the United States or other jurisdictions in which we operate, or any treaty or agreement adopted at the international level, such as the Kyoto Protocol or Glasgow Climate Pact, which restricts emissions of greenhouse gases could require us to make significant financial expenditures which we cannot predict with certainty at this time.

Additionally, adverse effects upon the oil and gas industry relating to climate change, including growing public concern about the environmental impact of climate change, may also adversely affect demand for our services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for oil and gas in the future or create greater incentives for the use of alternative energy sources. In addition, parties concerned about the potential effects of climate change have directed their attention at sources of funding for energy companies, which has resulted in certain financial institutions, funds and other sources of capital, restricting or eliminating their investment in or lending to oil and gas activities. Any material adverse effect on the oil and gas industry relating to climate change concerns could have a significant adverse financial and operational impact on our business and operations.

Finally, the impacts of severe weather, such as hurricanes, monsoons and other catastrophic storms, resulting from climate change could cause damage to our equipment and disruption to our operations and cause other financial and operational impacts, including impacts on our major customers.

Acts of terrorism, piracy, cyber-attack, political and social unrest could affect the markets for drilling services, which may have a material and adverse effect on our operating results.

Acts of terrorism, piracy, and political and social unrest, brought about by world political events or otherwise, have caused instability in the world's financial and insurance markets in the past and may occur in the future. Such acts could be directed against companies such as ours. Our drilling operations could also be targeted by acts of sabotage carried out by environmental activist groups.

We rely on information technology systems and networks in our operations and administration of our business. Our drilling operations or other business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to an unauthorized release of information or alteration of information on our systems. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and operating results.

In addition, acts of terrorism and social unrest could lead to increased volatility in prices for crude oil and natural gas and could affect the markets for drilling services and result in lower dayrates. Insurance premiums could also increase and coverage may be unavailable in the future. Increased insurance costs or increased costs of compliance with applicable regulations may have a material adverse effect on our operating results.

Our drilling contracts with national oil companies may expose us to greater risks than we normally assume in drilling contracts with non-governmental customers.

We currently own and operate rigs that are contracted with national oil companies. The terms of these contracts are often non-negotiable and may expose us to greater commercial, political and operational risks than we assume in other contracts, such as exposure to materially greater environmental liability, personal injury and other claims for damages (including consequential damages), or the risk that the contract may be terminated by our customer without cause on short-term notice, contractually or by governmental action, under certain conditions that may not provide us with an early termination payment. We can provide no assurance that the increased risk exposure will not have an adverse impact on our future operations or that we will not increase the number of rigs contracted to national oil companies with commensurate additional contractual risks.

We cannot guarantee that the use of our drilling units will not infringe the intellectual property rights of others.

The majority of the intellectual property rights relating to our drilling units and related equipment are owned by our suppliers. In the event that one of our suppliers becomes involved in a dispute over an infringement of intellectual property rights relating to equipment owned by us, we may lose access to repair services or replacement parts or could be required to cease using some equipment. In addition, our competitors may assert claims for infringement of intellectual property rights related to certain equipment on our drilling units and we may be required to stop using such equipment and/or pay damages and royalties for the use of such equipment. The consequences of these technology disputes involving our suppliers or competitors could adversely affect our financial results and operations. We have indemnity provisions in some of our supply contracts to give us some protection from the supplier against intellectual property lawsuits. However, we cannot make any assurances that these suppliers will have sufficient financial standing to honor their indemnity obligations or guarantee that the indemnities will fully protect us from the adverse consequences of such technology disputes. We also have provisions in some of our client contracts to require the client to share some of these risks on a limited basis, but we cannot provide assurance that these provisions will fully protect us from the adverse consequences of such technology disputes. For information on certain intellectual property litigation that we are currently involved in, please see Note 30 – Commitments and contingencies to the Consolidated Financial Statements included herein.

The novel coronavirus, or COVID-19, pandemic has affected and may materially adversely affect, and any future outbreak of any other highly infectious or contagious diseases may materially adversely affect, our operations and our financial performance and condition, operating results and cash flows.

The COVID-19 pandemic has affected, and may materially adversely affect, our business and financial and operating results. The severity, magnitude and duration of the COVID-19 pandemic is uncertain, rapidly changing and hard to predict. In the future, COVID-19 or another similar pandemic could negatively impact our business in numerous ways, including, but not limited to, the following:

- our revenue may be reduced if the pandemic results in an economic downturn or recession that leads to a prolonged decrease in the demand for natural gas, NGLs and oil;
- our operations may be disrupted or impaired, if a significant portion of our employees or contractors are unable to work due to illness or if field operations are suspended or temporarily shut-down or restricted due to control measures designed to contain the pandemic; and
- the disruption and instability in the financial markets and the uncertainty in the general business environment may affect our ability to raise capital.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks set forth herein, such as those relating to our financial performance, our ability to access capital and credit markets, our credit ratings and debt obligations. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19 on our business, which will depend on numerous evolving factors and future developments that we are not able to predict, including the length of time that the pandemic continues, its effect on the demand for natural gas, NGLs and oil, the response of the overall economy and the financial markets as well as the effect of governmental actions taken in response to the pandemic.

Risks relating to Our Shareholders

Our primary listing with respect to our Shares is currently Euronext Expand, which could affect the ability of U.S. shareholders to resell their Shares or may effect liquidity or price.

Our primary listing with respect to our Shares is currently Euronext Expand, and our Shares are not currently listed for trading on any U.S. national securities exchange. Thus, U.S. holders of our Shares may be required to trade such Shares outside the U.S. The absence of an active U.S. trading market could decrease the liquidity or price of the Shares held by U.S. holders.

A delisting of our Shares from Euronext Expand could negatively impact us.

A delisting of our Shares from Euronext Expand could negatively impact us because it could (i) reduce the liquidity and market price of our Shares, (ii) reduce the number of investors willing to hold or acquire our Shares, which could negatively impact our ability to raise equity financing, (iii) limit our ability to offer and sell freely tradable securities, including under U.S. State securities laws, thereby preventing us from accessing the public capital markets, (iv) impair our ability to provide equity incentives to our employees, and (v) lead to a default under one or more of our credit facilities under certain circumstances.

Certain of our new credit facilities include a covenant requiring our Shares to be listed on the OSE and/or the NYSE subject to the satisfaction of the applicable listing requirements. If we are unable to satisfy such covenant, we could be in default under such facilities. Given the cross-default and cross-acceleration provisions in our other debt agreements, we could be in default under those other debt agreements as well, with the result that some or all of our indebtedness could be declared immediately due and payable (or accelerated after the expiration of any applicable grace period), and we may not have sufficient assets available to satisfy our obligations.

The price of the Shares may be volatile or may decline regardless of our operating performance, and investors may not be able to resell the Shares at or above their initial purchase price.

The market price for the Shares may be volatile and may fluctuate significantly in response to a number of factors, most of which we cannot control, including, among others:

- announcements concerning the offshore drilling market, including changes in oil and gas prices and the state of the global economy and market outlook for our various geographical operating sectors and classes of rigs;
- fluctuations in the market value of our drilling units and the amount of debt we can incur under certain covenants in its current and future debt financing agreements;
- general and industry-specific economic conditions;
- changes in financial estimates or recommendations by securities analysts or failure to meet analysts' performance expectations;
- additions or departures of key members of management;

- any increased indebtedness we incur in the future;
- speculation or reports by the press or investment community with respect to Seadrill or the industry in general;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- changes or proposed changes in laws or regulations affecting the oil and gas industry or enforcement of these laws and regulations, or announcements relating to these matters; and
- general market, political and economic conditions, including any such conditions and local conditions in the markets in which we operate.

These and other factors may lower the market price of the Shares, regardless of our actual operating performance. In the event of a drop in the market price of the Shares, investors could lose a substantial part or all of their investment in the Shares. In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Shareholders may initiate securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, we could incur substantial costs and our resources and the attention of management could be diverted from the business, which could have a negative effect on the operating results and thus the price for the Shares.

The market price of our Shares has fluctuated widely and may fluctuate widely in the future.

The market price of our Shares has fluctuated widely and may continue to do so as a result of many factors, such as actual or anticipated fluctuations in our operating results, the outcome of any consent or negotiations with our lenders under our secured credit facilities, changes in financial estimates by securities analysts, economic and regulatory trends, general market conditions, rumors and other factors, many of which are beyond our control. Further, there may be no continuing active or liquid public market for our Shares. If an active trading market for our Shares does not continue, the price of our Shares may be more volatile and it may be more difficult and time consuming to complete a transaction in our Shares, which could have an adverse effect on the realized price of our Shares. In addition, an adverse development in the market price for our Shares could negatively affect our ability to issue new equity to fund our activities.

The issuance of share-based awards may dilute investors' holding of the Shares.

An aggregate of 5.5% of the Shares are reserved for issuance for grant to our employees pursuant to awards to be made under the Management Incentive Plan in accordance with the Plan. The exercise of equity awards, including any share options that we may grant in the future, could have an adverse effect on the market for the Shares, including the price that an investor could obtain for their Shares. Investors may experience dilution in the net tangible book value of their investment upon the exercise of any share options that may be granted or issued pursuant to management or employee incentive plans in the future.

Substantial sales of or trading in the Shares could occur, which could cause the share price to be adversely affected.

A limited number of shareholders own a substantial portion of the Shares, which may be traded on the OSE if such Shares are freely tradable or covered by an effective registration statement.

We cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on their market price. Sales of substantial amounts of the Shares in the public market, or the perception that such sales could occur, may adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares at a time and price that they deem appropriate. In addition, investment firms that are party to certain put and call agreements may hedge their positions by trading the Shares. The sale of significant amounts of the Shares, substantial trading in the Shares, hedging activities or the perception in the market that any of these activities will occur, may adversely affect the market price of the Shares. Sales of the Shares could also impair our ability to raise capital, should we wish to do so, which may cause the Share price to decline.

We may pay little or no dividends on the Shares.

The payment of any future dividends to the Company's shareholders will depend on decisions that will be made by the Board of Directors and will depend on then existing conditions, including the Company's operating results, financial conditions, contractual and financing restrictions, corporate law restrictions, capital agreements, the applicable laws of Bermuda and business prospects. The Company may pay little or no dividends for the foreseeable future.

In addition, since we are a holding company with no material assets other than the shares of our subsidiaries through which we conduct our operations, our ability to pay dividends will depend on our subsidiaries distributing to us their earnings and cash flows. Furthermore, the terms of our secured credit facilities prohibit or otherwise limit our and certain of our subsidiaries' ability to pay dividends and distributions without consent of the requisite debt holders. For more information, see "*The covenants under our secured credit facilities impose operating and financial restrictions on us that could significantly impact our ability to operate our business and a breach of which could result in a default under the terms of these agreements, which could accelerate our repayment of funds that we have borrowed.*" We suspended the payment of dividends in November 2014, and we cannot predict when, or if, dividends will be paid in the future.

U.S. tax authorities may treat us as a "passive foreign investment company" for U.S. federal income tax purposes, which may have adverse tax consequences for U.S. shareholders.

A foreign corporation will be treated as a "passive foreign investment company" or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest and gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For the purposes of these tests, income derived from the performance of services does not constitute "passive income." As discussed further below, U.S. shareholders of a PFIC are subject to certain adverse U.S. federal income tax consequences including a disadvantageous U.S. federal income tax regime with respect to distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based on the current and anticipated valuation of our assets, including goodwill, and composition of our income and assets, we intend to take the position that we will not be treated as a PFIC for U.S. federal income tax purposes for our current taxable year or in the foreseeable future. Our position is based on valuations and projections regarding our assets and income. While we believe these valuations and projections to be accurate, such valuations and projections may not continue to be accurate. Moreover, the determination as to whether we are a PFIC for any taxable year is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and is not determinable until after the end of such taxable year. Further, we have not sought a ruling from the United States Internal Revenue Service, or IRS, on this matter, the IRS or a court could disagree with our position. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, the nature of our operations may change in the future, and if so, we may not be able to avoid PFIC status in the future.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders may face adverse U.S. federal income tax consequences. Under the PFIC rules, unless those shareholders make an election available under the United States Internal Revenue Code of 1986, as amended, or the Code (which election could itself have adverse consequences for such shareholders, as discussed below under Item 10 - "Additional Information - E. Taxation"), such shareholders would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of the Shares, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of the Shares. In the event that our shareholders face adverse U.S. federal income tax consequences as a result of investing in our Shares, this could adversely affect our ability to raise additional capital through the equity markets. See Item 10 - "Additional Information - E. Taxation" for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if we are treated as a PFIC.

Investors are encouraged to consult their own tax advisers concerning the overall tax consequences of the ownership and disposition of the Shares arising in an investor's particular situation under U.S. federal, state, local or foreign law.

Because we are a foreign corporation, you may not have the same rights that a shareholder in a U.S. corporation may have.

We are incorporated under the laws of Bermuda, and substantially all of our assets are located outside of the United States. In addition, the majority of our directors and officers generally are or will be non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to effect service of process on these individuals in the United States or to enforce in the United States judgments obtained in U.S. courts against us or our directors and officers based on the civil liability provisions of applicable U.S. securities laws.

In addition, you should not assume that courts in the countries in which we are incorporated or where our assets are located (1) would enforce judgments of U.S. courts obtained in actions against us based upon the civil liability provisions of applicable U.S. securities laws or (2) would enforce, in original actions, liabilities against us based on those laws.

Our Bye-Laws limit shareholders' ability to bring legal action against its officers and directors.

Our Bye-Laws contain a broad waiver by the shareholders of any claim or right of action, both individually and on behalf of the Company, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

Investors with Shares registered in a nominee account will need to exercise voting rights through their nominee.

Beneficial owners of Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) with the Norwegian Central Securities Depository ("VPS") will not be able to exercise voting rights directly, and they will need to receive the voting materials and provide instructions through their nominee prior to the general meetings. We can provide no assurances that beneficial owners of the Shares will receive the notice of a general meeting in time to instruct their nominees accordingly or otherwise vote their Shares in the manner desired by such beneficial owners.

General Risk Factors

The economic effects of "Brexit" may affect relationships with existing and future customers and could have an adverse impact on our business and operating results.

On June 23, 2016, the U.K. held a referendum in which voters approved an exit from the E.U., commonly referred to as "Brexit". The U.K.'s withdrawal from the E.U. occurred on January 31, 2020, but the U.K. remained in the E.U.'s customs union and single market for a transition period that expired on December 31, 2020. On December 24, 2020, the U.K. and the E.U. entered into a trade and cooperation agreement (the

"Trade and Cooperation Agreement"), which was applied on a provisional basis from January 1, 2021. While the economic integration does not reach the level that existed during the time the U.K. was a member state of the E.U., the Trade and Cooperation Agreement sets out preferential arrangements in areas such as trade in goods and in services, digital trade and intellectual property. Negotiations between the U.K. and the E.U. are expected to continue in relation to the relationship between the U.K. and the E.U. in certain other areas which are not covered by the Trade and Cooperation Agreement. The long-term effects of Brexit will depend on the effects of the implementation and application of the Trade and Cooperation Agreement and any other relevant agreements between the United Kingdom and the European Union.

We face risks associated with the potential uncertainty and disruptions that may result from Brexit and the implementation and application of the Trade and Cooperation Agreement, including with respect to volatility in exchange rates and interest rates, disruptions to the free movement of data, goods, services, people and capital between the U.K. and the E.U. and potential material changes to the regulatory regime applicable to our operations in the U.K. The uncertainty concerning the U.K.'s future legal, political and economic relationship with the E.U. could adversely affect political, regulatory, economic or market conditions in the E.U., the U.K. and worldwide and could contribute to instability in global political institutions, regulatory agencies and financial markets. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and could significantly reduce global market liquidity and limit the ability of key market participants to operate in certain financial markets. In particular, it could also lead to a period of considerable uncertainty in relation to the U.K. financial and banking markets, as well as to the regulatory process in Europe. Asset valuations, currency exchange rates and credit ratings may also be subject to increased market volatility.

We may also face new regulatory costs and challenges as a result of Brexit that could have a material adverse effect on our operations. For example, as of January 1, 2021, the United Kingdom lost the benefits of global trade agreements negotiated by the E.U. on behalf of its members, which may result in increased trade barriers that could make our doing business in areas that are subject to such global trade agreements more difficult. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which laws of the European Union to replace or replicate. There may continue to be economic uncertainty surrounding the consequences of Brexit that adversely impact customer confidence resulting in customers reducing their spending budgets on our services, which could materially adversely affect our business, financial condition and operating results.

We may recognize impairments on long-lived assets, including goodwill and other intangible assets, or recognize impairments on our equity method investments.

As described in the risk factor above, we have previously recognized impairments on our marketable securities and investments in associated companies.

If any of our strategic equity investments decline in value and remain below cost for an extended period, we may be required to write down our investment.

Interest rate fluctuations could affect our earnings and cash flows.

In order to finance our growth, we have incurred significant amounts of debt. Our secured credit facilities have floating interest rates. As such, significant movements in interest rates could have an adverse effect on our earnings and cash flows to the extent interest becomes payable. To manage our exposure to interest rate fluctuations through interest rate swaps on May 11, 2018 we entered into an agreement to hedge part of our interest rate risk, through the purchase of an interest rate cap. Please see Item 11 - "Quantitative and qualitative disclosures about market risk" for further details of our use of derivatives to mitigate exposures to interest rate risk.

If we are unable to effectively manage our interest rate exposure through interest rate derivatives in the future, any increase in market interest rates would increase our interest rate exposure and debt service obligations, which would exacerbate the risks associated with our leveraged capital structure.

The transition away from LIBOR may adversely affect our cost to obtain financing and cause our debt service obligations to increase significantly.

Certain of our agreements use LIBOR (as defined below) as a "benchmark" or "reference rate" for establishing various terms. The London Interbank Offered Rate ("LIBOR") is the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to disappear entirely or to perform differently than in the past. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness.

On March 5, 2021, ICE Benchmark Administration ("IBA"), the administrator of the London interbank offered rate, and the Financial Conduct Authority (the "FCA"), the regulatory supervisor of IBA, announced in public statements that the final publication or representativeness date for the London interbank offered rate for Dollars for: (a) 1-week and 2-month tenor settings will be December 31, 2021 and (b) overnight, 1-month, 3-month, 6-month and 12-month tenor settings will be June 30, 2023. The Alternative Reference Rates Committee ("ARRC") has proposed that the Secured Overnight Financing Rate ("SOFR") is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. ARRC has proposed a paced market transition plan to SOFR from USD-LIBOR and organizations are currently working on industry-wide and company-specific transition plans as they relate to derivatives and cash markets exposed to USD-LIBOR. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates or financing costs to borrowers. We also have material contracts that are indexed to USD-LIBOR and we are monitoring this activity and evaluating the related risks.

Fluctuations in exchange rates and the non-convertibility of currencies could result in losses to us.

As a result of our international operations, we are exposed to fluctuations in foreign exchange rates due to revenues being received and operating expenses paid in currencies other than U.S. dollars. Accordingly, we may experience currency exchange losses if we have not adequately hedged our exposure to a foreign currency, or if revenues are received in currencies that are not readily convertible. There is no guarantee that our future operating results will not be adversely impacted by fluctuations in currency exchange rates. We may also be unable to collect revenues because of a shortage of convertible currency available in the country of operation, controls over currency exchange or controls over the repatriation of income or capital.

We use the U.S. dollar as our functional currency because the majority of our revenues and expenses are denominated in U.S. dollars. Accordingly, our reporting currency is also U.S. dollars. We do, however, earn revenues and incur expenses in other currencies such as Norwegian krone, U.K. pounds sterling, Brazilian real, Nigerian Naira and Angolan Kwanza and there is a risk that currency fluctuations could have an adverse effect on our statements of operations and cash flows. In addition, Brexit, or similar events in other jurisdictions, can impact global markets, which may have an adverse impact on our business and operations as a result of changes in currency, exchange rates, tariffs, treaties and other regulatory matters.

A change in tax laws in any country in which we operate could result in higher tax expense.

We conduct our operations through various subsidiaries in countries throughout the world. Tax laws, regulations and treaties are highly complex and subject to interpretation. Consequently, we are subject to changing tax laws, regulations and treaties in and between the countries in which we operate, including treaties between the United States and other nations. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, regulations or treaties, including those in and involving the United States, or in the interpretation thereof, or in the valuation of our deferred tax assets, which is beyond our control, could result in a materially higher tax expense or a higher effective tax rate on our worldwide earnings.

A loss of a major tax dispute or a successful tax challenge to our operating structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries could result in a higher taxes on our worldwide earnings, which could result in a significant negative impact on our earnings and cash flows from operations.

Our tax returns are subject to review and examination. We do not recognize the benefit of income tax positions we believe are more likely than not to be disallowed upon challenge by a tax authority. If any tax authority successfully challenges our operational structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries; or if the terms of certain Double Tax Treaties are interpreted in a manner that is adverse to our structure; or if we lose a material tax dispute in any country, our taxes on our worldwide earnings could increase substantially and our earnings and cash flows from operations could be materially adversely affected. For additional information on tax assessments and claims issued, refer to Note 12 - “Taxation” to the Consolidated Financial Statements included herein.

Legislation enacted in Bermuda as to Economic Substance many affect our operations

Pursuant to the Economic Substance Act 2018 (as amended) and related regulations (the “ESA”), which came into force on January 1, 2019., a registered entity other than an entity which is resident for tax purposes in certain jurisdictions outside Bermuda (“non-resident entity”) that carries on as a business any one or more of the “relevant activities” referred to in the ESA must comply with economic substance requirements. The ESA may require in-scope Bermuda entities which are engaged in such “relevant activities” to be directed and managed in Bermuda, have an adequate level of qualified employees in Bermuda, incur an adequate level of annual expenditure in Bermuda, maintain physical offices and premises in Bermuda or perform core income-generating activities in Bermuda. The list of “relevant activities” includes carrying on any one or more of the following activities: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service center, intellectual property and holding entities. An in-scope Bermuda entity that carries on a relevant activity is obliged under the ESA to file a declaration with the Bermuda Registrar of Companies on an annual basis containing certain information. The ESA could affect the manner in which we operate our business, which could adversely affect our business, financial condition and operating results. If we were required to satisfy economic substance requirements in Bermuda but failed to do so, we could face automatic disclosure to competent authorities in the European Union of the information filed by the entity with the Bermuda Registrar of Companies in connection with the economic substance requirements and may also face financial penalties, restriction or regulation of its business activities and/or may be struck off as a registered entity in Bermuda.

We may be subject to litigation, arbitration, other proceedings and regulatory investigations that could have an adverse effect on us.

We are currently involved in various litigation and arbitration matters, and we anticipate that we will be involved in dispute matters from time to time in the future. The operating and other hazards inherent in our business expose us to disputes, including personal injury disputes, worker health and safety matters, environmental and climate change litigation, contractual disputes with customers, intellectual property and patent disputes, tax or securities disputes, regulatory investigations and maritime lawsuits, including the possible arrest of our drilling units. We cannot predict, with certainty, the outcome or effect of any claim or other dispute matters, or a combination of these. If we are involved in any future disputes, or if our positions concerning current disputes are found to be incorrect, there may be an adverse effect on our business, financial position, operating results and available cash, because of potential negative outcomes, the costs associated with asserting our claims or defending such lawsuits or proceedings, and the diversion of management’s attention to these matters.

At the end of 2021, we and our (previously) affiliated entity NOL entered into and closed a settlement agreement in respect of claims and contractual arrangements related to the management and operation of the *West Mira* and the *West Bollsta* rigs. NOL is controlled by Hemen Holding Limited, or Hemen and prior to the emergence from Chapter 11, was considered our related party. Pursuant to that settlement agreement, we continue to have certain obligations to NOL mainly in respect of payment of bareboat hire for the *West Bollsta* and

demobilization and transition services of the *West Bollsta*. For additional information on litigation matters that we are currently involved in, please see Item 8 - "Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings."

If we fail to comply with requirements relating to internal control over financial reporting our business could be harmed and our Share price could decline.

Rules adopted by the Securities and Exchange Commission pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require that we assess our internal control over financial reporting annually. The rules governing the standards that must be met for management to assess its internal control over financial reporting are complex. They require significant documentation, testing, and possible remediation of any significant deficiencies in and / or material weaknesses of internal controls in order to meet the detailed standards under these rules. Although we have evaluated our internal control over financial reporting as effective as of December 31, 2021, in future fiscal years, we may encounter unanticipated delays or problems in assessing our internal control over financial reporting as effective or in completing our assessments by the required dates, which could lead to a decline in the price of Shares, limit our ability to access the capital markets in the future, and require us to incur additional costs to improve our internal control over financial reporting and disclosure control systems and procedures. Further, if lenders and other debt financing sources lose confidence in the reliability of our financial statements, it could have a material adverse effect on our ability to secure replacement or additional financing, or amendments to our existing secured credit facilities, on terms acceptable to us or at all.

As a non-accelerated filer, we are not required to have our independent registered public accountants audit our internal controls over financial reporting. As such, we cannot assure you that our independent registered public accountants will attest that internal control over financial reporting is effective in future fiscal years.

Without this attestation, investors may lose confidence in our reported financial information, which could lead to a decline in the price of Shares, limit our ability to access the capital markets in the future, and require us to incur additional costs to improve our internal control over financial reporting and disclosure control systems and procedures. Further, if lenders and other debt financing sources lose confidence in the reliability of our financial statements, it could have a material adverse effect on our ability to secure replacement or additional financing, or amendments to our existing secured credit facilities, on terms acceptable to us or at all.

Data protection and regulations related to privacy, data protection and information security could increase our costs, and our failure to comply could result in fines, sanctions or other penalties, which could materially and adversely affect our operating results, as well as have an impact on our reputation.

We are subject to regulations related to privacy, data protection and information security in the jurisdictions in which we do business. As privacy, data protection and information security laws are interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

In recent years, there has been increasing regulatory enforcement and litigation activity in the areas of privacy, data protection and information security in the U.S. and in various countries in which we operate. In addition, legislators and/or regulators in the U.S., the U.K., the E.U. and other jurisdictions in which we operate are increasingly adopting or revising privacy, data protection and information security laws that could create compliance uncertainty and could increase our costs or require us to change our business practices in a manner adverse to our business. For example, the E.U. and U.S. Privacy Shield framework was designed to serve as an appropriate safeguard in relation to international transfers of personal data from the EEA to the U.S. However, this self-certification faces a number of legal challenges and is subject to annual review. This has resulted in some uncertainty and obligations to look at other appropriate safeguards to protect the security and confidentiality of personal data in the context of cross-border data transfers. Moreover, compliance with current or future privacy, data protection and information security laws could significantly impact our current and planned privacy, data protection and information security related practices, our collection, use, sharing, retention and safeguarding of consumer and/or employee information, and some of our current or planned business activities. Our failure to comply with privacy, data protection and information security laws could result in fines, sanctions or other penalties, which could materially and adversely affect our operating results and overall business, as well as have an impact on our reputation. For example, the General Data Protection Regulations (EU) 2016/679 (the "GDPR"), as supplemented by any national laws (such as in the U.K., the Data Protection Act 2018) and further implemented through binding guidance from the European Data Protection Board, came into effect on May 25, 2018. The GDPR expanded the scope of the EU data protection law to all foreign companies processing personal data of EEA individuals and imposed a stricter data protection compliance regime, including the introduction of administrative fines for non-compliance up to 4% of global total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach, as well as the right to compensation for financial or non-financial damages claimed by any individuals under Article 82 GDPR and the reputational damages that our business may be facing as a result of any personal data breach or violation of the GDPR.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

1) Company Details

Seadrill Limited (previously known as "Seadrill 2021 Limited") (the "**Successor**") is an exempted company limited by shares incorporated under the laws of Bermuda and in accordance with the Bermuda Companies Act 1981 (the "**Bermuda Companies Act**"). It was incorporated on October 15, 2021 under the name Seadrill 2021 Limited. On the Effective Date it became the ultimate parent holding company of the Group at which point its name was changed to Seadrill Limited. The Company is registered with the Bermuda Registrar of Companies under registration number 202100496.

From July 2, 2018 to the Effective Date, the ultimate parent holding company of the Group was Seadrill Limited, an exempted company limited by shares incorporated under the laws of Bermuda on March 14, 2018 with registration number 53439 ("**Old Seadrill Limited**" or the "**Predecessor**").

Old Seadrill Limited was previously listed under the Symbol "**SDRL**" on the NYSE and the OSE. On June 19, 2020 it delisted from the NYSE and has most recently traded on the OTC Pink Market ("**OTCPK**") under the Symbol "**SDRLF**". Following the Effective Date, trading of Old Seadrill Limited's shares was suspended on both exchanges.

On April 28, 2022, Seadrill Limited completed a listing of its shares on Euronext Expand. The Company plans to up-list to the main market of the OSE and to obtain a further listing of the Company's shares on the NYSE.

The Company's registered office is at Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda. Telephone: +1 (441) 242 1500 and fax: +1 (441) 295-3494. The Company's principal executive offices are located at the Group's corporate headquarters (Seadrill Management) in Chiswick Business Park, Building 11, 2nd Floor, 566 Chiswick High Road, London W4 5YS, United Kingdom, and its telephone at this address is +44 (0) 20 881 4700. The Group's website address is www.seadrill.com.

2) Significant Developments for the Period from January 1, 2021 through and including December 31, 2021

In this section we have set out important events in the development of our business. This includes information concerning the nature and results of any material reclassification, merger or consolidation of the company or any of its significant subsidiaries; acquisitions or dispositions of material assets other than in the ordinary course of business; any material changes in the mode of conducting the business; material changes in the types of products produced or services rendered; name changes; or the nature and results of any bankruptcy, receivership or similar proceedings with respect to the company or significant subsidiaries. This section covers the period from the beginning of our last full financial year.

i. Chapter 11 Reorganization

On February 22, 2022, Seadrill concluded its comprehensive restructuring process and emerged from Chapter 11 bankruptcy protection. The following major changes to Seadrill's capital structure were achieved through the restructuring:

1. Additional $350 million of liquidity raised;
2. Obligations under external credit facilities decreased from $5,662 million to $683 million of reinstated debt with maturity in 2027;
3. Future obligations under finance lease arrangements in respect of the *West Taurus*, *West Hercules* and *West Linus* substantially eliminated; and
4. Elimination of guarantees previously provided to holders of the senior notes previously issued by the NSNCo group.

Seadrill emerged from bankruptcy with cash of $486 million, of which $335 million was unrestricted and $151 million was restricted. Seadrill also had $125 million undrawn on its new revolving credit facility which together with the unrestricted cash provided $460 million of liquidity to the Successor company. Following emergence, Seadrill had total debt obligations of $908 million. This comprised $683 million outstanding on reinstated credit facilities; $175 million drawn on its new term loan; and a $50 million convertible bond.

In order to substantially eliminate future commitments under capital lease arrangements with SFL, Seadrill rejected the *West Taurus* lease through the bankruptcy court in early 2021 and negotiated amendments to the leases of *West Hercules* and *West Linus* in August 2021 and February 2022, respectively. The amended leases for *West Hercules* and *West Linus* are short term and we expect to deliver both rigs back to SFL in 2022. In addition to reducing the lease terms, the lease amendments extinguished Seadrill's obligations to purchase the units at the end of the leases (amongst other changes).

As part of Seadrill's wider process, NSNCo, the holding company for investments in SeaMex, Seabras Sapura, and Archer, concluded a separate restructuring process on January 20, 2022. The restructuring was achieved using a pre-packaged Chapter 11 process and had the following major impacts:

1. Holders of the senior secured notes issued by NSNCo ("**notes**", **"noteholders**") released Seadrill from all guarantees and securities previously provided by Seadrill in respect of the notes;
2. Noteholders received a 65% equity interest in NSNCo with Seadrill's equity interest thereby decreasing to 35%; and
3. Reinstatement in full of the notes on amended terms.

4. Related to the NSNCo restructuring, the noteholders also financed a restructuring of the bank debt of the SeaMex joint venture. This enabled NSNCo to subsequently acquire a 100% equity interest in the SeaMex joint venture by way of a credit bid, which was executed on November 2, 2021.

For a detailed description of Seadrill's comprehensive restructuring, please refer to Note 4 - Chapter 11 of the accompanying financial statements.

ii. Rig disposal program

Seadrill initiated a program to dispose of long-term cold stacked units. Under this program, all cold stacked units were reviewed to identify units that were unlikely to secure work that offered a satisfactory return on the cost of the reactivation. In total ten units were identified for disposal with eight units being sold to date (seven units being sold in 2021, one in January 2022). Five of the units sold to date have been recycled with the remaining three being sold for non-drilling purposes. Sale agreements have been entered for the remaining two units, which will be handed over later in 2022.

The units sold for non-drilling purposes included the *West Vigilant*, which was sold to PT Duta Marina for $7 million in June 2021, the *West Freedom* was sold to New Fortress Energy Fast LNG Operations LLC for $5 million in July 2021, and *West Orion*, which was sold to Far East Offshore Wind Power Engineering for $12 million in November 2021.

The units sold for recycling in 2021 included the *West Pegasus, West Alpha, West Eminence* and *West Navigator* which were sold to ROTA Shipping in 2021 for an aggregated amount of $32 million. The *West Venture* was also sold to Rota Shipping, completing in January 2022, for $7 million.

Proceeds from the above disposals, less any costs to sell, were held on the balance sheet as restricted cash and were repaid to the lenders holding the relevant security following Seadrill's emergence from Chapter 11.

iii. Seadrill Partners global settlement

On May 24, 2021, Aquadrill (formerly Seadrill Partners or "**SDLP**") emerged from Chapter 11 after successfully completing their reorganization. All conditions precedent to the restructuring were satisfied or otherwise waived. Existing equity interests in SDLP were canceled, released, and extinguished. As a result, SDLP is no longer an associate or related party of Seadrill, and we will no longer be providing management services to SDLP, aside from transitional services on two rigs, *West Vela* and *West Capella*.

Seadrill and SDLP executed a settlement agreement whereby both parties agreed to waive all claims in respect of pre-filing amounts due. This resulted in a write off of the fully provided pre-filing receivables due from SDLP, as well as an $8 million gain on the write-off of payables to SDLP.

iv. Northern Ocean settlement

On December 23, 2021, a settlement agreement with Northern Ocean became effective extinguishing all outstanding claims between Seadrill and Northern Ocean. The settlement resulted in the write-off of $18 million pre-petition balances owed to Northern Ocean for the lease of the *West Bollsta*. A further $18 million of post-petition balances owed for the *West Bollsta* were net settled for no cash against related party receivables due from Northern Ocean. The remaining $132 million of receivables due from Northern Ocean, which had been fully provided for, were written off against the expected credit loss provision.

3) Significant Developments for the Period from January 1, 2020 through and including December 31, 2020

i. Comprehensive Restructuring and Bankruptcy Proceedings

Refer to Note 4 - Chapter 11 for full details on our comprehensive restructuring and bankruptcy proceedings.

ii. Purchase of AOD non-controlling interest shares

In September 2020, we acquired the minority holding of 33.76% of the share capital of AOD from Mermaid for cash consideration of $31 million, giving Seadrill a 100% shareholding in AOD.

iii. Disposal of West Epsilon

In September 2020, we sold the cold-stacked harsh-environment jack-up rig *West Epsilon* for $12 million with the proceeds paid directly to our banks as an early repayment against our external debt.

4) Capital expenditures

Our capital expenditures primarily relate to (i) upgrades to our existing drilling units and (ii) costs incurred on major maintenance projects. We have summarized capital expenditures for the periods covered by this annual report in the table below.

Summary of capital expenditures	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Additions to drilling units and equipment	(29)	(27)	(48)
Payments for long-term maintenance	(64)	(121)	(114)
Total capital expenditure	**(93)**	**(148)**	**(162)**

5) Further information

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. You may find additional information on Seadrill on that site. The address of that site is http://www.sec.gov.

B. BUSINESS OVERVIEW

1) Introduction

We are an offshore drilling contractor providing worldwide offshore drilling services to the oil and gas industry. Our primary business is the ownership and operation of drillships, semi-submersible rigs and jack-up rigs for operations in shallow to ultra-deepwater in both benign and harsh environments. We contract our drilling units to drill wells for our customers on a dayrate basis. Typically, our customers are oil super-majors, state-owned national oil companies and independent oil and gas companies.

Through a number of acquisitions of companies, second-hand units and newbuildings, we have developed into a major international offshore drilling contractors. We owned 24 drilling rigs as at December 31, 2021, lease three from our related parties SFL (two) and Northern Ocean (one), and manage nine rigs on behalf of SeaMex (five), Aquadrill (formerly Seadrill Partners) (two), and Sonadrill (two). The five SeaMex rigs are included within our discontinued operations held for sale and have been classified as managed rigs. We sold the *West Venture* in January 2022 and the *Sevan Brasil* and *Sevan Driller* in April 2022.

We are recognized for providing high quality operations, in some of the most challenging sectors of offshore drilling. We employ 3,220 employees across the globe. We are incorporated in Bermuda and have worldwide operations based on where activities are conducted in the global oil and gas industry.

We operate through the following segments: (i) harsh environment; (ii) floaters; and (iii) jack-up rigs, as further explained below and in 5A - "Operating and Financial Review".

2) Our Fleet

Our relatively modern fleet, among the youngest in the industry, is well positioned compared with other major offshore drillers. As of December 31, 2021, our owned fleet was 24 drilling units which included 6 drillships, 6 semi-submersible rigs and 12 jack-up rigs. For additional information on our drilling units and newbuildings refer to Item 4D - "Property, Plant and Equipment".

We categorize the drilling units in our fleet as (i) floaters, (ii) jack-ups and (iii) harsh environment. This is further explained below.

a) Floaters

Our floaters segment encompasses our drillships and benign environment semi-submersible rigs.

i. Drillships:

Drillships are self-propelled ships equipped for drilling offshore in water depths ranging from 1,000 to 12,000 feet and are positioned over the well through a computer-controlled thruster system. Drillships are suitable for drilling in remote locations because of their mobility and large load-carrying capacity. Depending on country of operation, drillships operate with crews of 120 to 160 people.

ii. Semi-submersible drilling rigs:

Semi-submersibles are self-propelled drilling rigs consisting of an upper working and living quarters deck connected to a lower hull consisting of columns and pontoons. Such rigs operate in a “semi-submerged” floating position, in which the lower hull is below the waterline and the upper deck protrudes above the surface. The rig is situated over a wellhead location and remains stable for drilling in the semi-submerged floating position, due in part to its wave transparency characteristics at the water line.

Semi-submersible rigs can be either moored or dynamically positioned. Moored semi-submersible rigs are positioned over the wellhead location with anchors and typically operate in water depths ranging up to 1,500 feet. Dynamically positioned semi-submersible rigs are positioned over the wellhead location by a computer-controlled thruster system and typically operate in water depths ranging from 1,000 to 12,000 feet. Depending on country of operation, semi-submersible rigs generally operate with crews of 110 to 130 people.

b) Jack-Up Rigs

Jack-up rigs are mobile, self-elevating drilling platforms equipped with legs that are lowered to the seabed. A jack-up rig is mobilized to the drill site with a heavy lift vessel or a wet tow. At the drill site, the legs are lowered until they penetrate the sea bed and the hull is elevated to an approximate operational airgap of 50 to 100 feet depending on the expected environmental forces. After completion of the drilling operations, the hull is lowered to floating draft, the legs are raised and the rig can be relocated to another drill site. Jack-ups are generally suitable for water depths of 450 feet or less and operate with crews of 80 to 110 people.

c) Harsh Environment

Harsh environment rigs include both semi-submersibles and jack-ups that have a number of design modifications to be able to handle to weather conditions as seen in the North Sea and Canada. Compared to benign environment rigs, these modifications include increased variable load to reduce the need for resupply, increased air gap to increase wave clearance, increased automation, changes in the geometry of the legs or columns to decrease wind and wave loads, and greater spacing between the legs or columns. Harsh environment rigs tend to be larger, heavier and more expensive to construct than benign environment rigs.

3) Competitive Strengths

Our competitive strengths focus on four key areas:

i. Scale and age-one of the largest and youngest offshore drilling contractors

Since our inception in 2005, we have developed into a large international offshore drilling company, with a significant geographical footprint. All of our rigs were built after 2007 and we have one of the youngest rig fleets in our industry.

ii. Unwavering commitment to safety and the environment.

We believe that the combination of quality drilling units and a highly skilled workforce allows us to provide our customers with safe and efficient operations. As part of our over-all ESG focus, we behave responsibly towards our shared environment and continue to commit resources to improving our environmental programs with a drive to reduce our overall carbon footprint ("B" ranking awarded by Carbon Disclosure Program in 2021, above average compared to our peer group). Nothing is more important to us than the health, safety and security of our workforce and the communities in which we operate.

During 2021 we continued to provide additional resources to our workforce to look after their mental health in response to the ongoing COVID-19 pandemic. Also, as a response to the pandemic, our onshore and offshore personnel have actively participated in the global vaccination campaign. Finally, our teams in several local areas of operations have contributed in different ways to the local community to help battle the ongoing pandemic.

iii. Technologically advanced fleet

Our drilling units are amongst the most technologically advanced in the world. Our modern fleet offers superior technical capabilities, resulting in high operational reliability. Our proven operational track record and fleet composition positions us well to secure new drilling contracts and continue relationships with existing customers.

iv. Trust-based, enduring Customer relationships

We have strong relationships with our customers that are based on trust in our people, operational track record and the quality and reliability of our assets. Our Customers are oil super-majors, state-owned national oil companies and independent oil and gas companies.

4) Overall Strategy

From shallow to ultra-deep water, in both harsh and benign environments, our vision is to set the standard in offshore drilling, and we deliver this vision through the four pillars of our strategy:

i. Best Operations

Our objective is to deliver the best operations possible - both in terms of utilization and commitment to health, safety and the environment. To do this, we leverage one of the most modern rig fleets in the industry combined with a motivated, highly skilled and experienced workforce.

ii. Right rigs

We are organized by asset class – Harsh Environment, Jack-Ups and Floaters. Having the right rigs in these segments allows us to offer a range of assets to suit the diverse needs of our customers, working in various geographies and water depths, whilst positioning ourselves for future growth in the industry.

iii. Strongest relationships

We have established robust, long-term relationships with key players in the industry and we will seek to deepen and strengthen these relationships further. This involves identifying additional value-adding services for our customers and developing long-term, mutually beneficial partnerships. We strive to provide the best possible service to our customers and be valued partners in their success.

iv. Leading organization

We are proud of our culture and we recognize that our business is built on people. As part of our strategy, we aim to recruit, retain, and develop the best people in the industry and to build a dynamic organization that continually adapts to ever-evolving business needs.

5) Research and Development

We recognize the significant impact that technology is having on our industry and through adopting new technological advances, improving connectivity and digitizing the way we operate, we have enhanced visibility over monitoring and managing our assets. Innovation remains at the center of our strategy. For instance, research and development has enabled us to implement PLATO, an advanced data analytics platform that monitors rig performance. The ability to draw insight from these large data sets help us to optimize our drilling performance for customers and ensure care and maintenance of our equipment, without compromising on safety.

6) Markets

Our operations are geographically dispersed in oil and gas exploration and development areas throughout the world. We operate in a single, global offshore drilling market, as our drilling rigs are mobile assets and are able to be moved according to prevailing market conditions. We organize our business into the following segments: (i) harsh environment; (ii) floaters; and (iii) jack-ups. For details of our revenues and fixed assets by operating segment and geography, refer to Note 6 - "Segment information" to the Consolidated Financial Statements included herein.

7) Seasonality

In general, seasonal factors do not have a significant direct effect on our business. However, we have operations in certain parts of the world where weather conditions during parts of the year could adversely impact the operational utilization of the rigs and our ability to relocate rigs between drilling locations, and as such, limit contract opportunities in the short term. Such adverse weather could include the hurricane season and loop currents for our operations in the Gulf of Mexico, the winter season in offshore Norway, West of the Shetlands and Canada, and the monsoon season in Southeast Asia.

8) Customers

Our customers include oil super-majors, state-owned national oil companies and independent oil and gas companies. In addition, we provide management services to certain affiliated entities. For an analysis of our most significant customers, refer to Note 6 - “Segment information” to the Consolidated Financial Statements included herein.

9) Drilling contracts

In general, we contract our drilling units to oil and gas companies to provide offshore drilling services at an agreed dayrate for a fixed contract term or on a well completion basis. Dayrates can vary, depending on the type of drilling unit and its capabilities, contract length, geographical location, operating expenses, taxes and other factors such as prevailing economic conditions. We do not provide "turnkey" or other risk-based drilling services to the customer. Instead, we provide a drilling unit and rig crews and charge the customer a fixed amount per day regardless of the number of days needed to drill the well. The customer bears substantially all the ancillary costs of constructing the well and supporting drilling operations, as well as most of the economic risk relative to the success of the well.

Where operations are interrupted or restricted due to equipment breakdown or operational failures, we do not generally receive dayrate compensation for the period of the interruption in excess of contractual allowances. Furthermore, the dayrate we receive can be reduced in instances of interrupted or suspended service due to, among other things, repairs, upgrades, weather, maintenance, force majeure or requested suspension of services by the customer and other operating factors.

However, contracts normally allow for compensation when factors beyond our control, including weather conditions, influence the drilling operations and, in some cases, for compensation when we perform planned maintenance activities. In some of our contracts, we are entitled to cost escalation to compensate for industry specific cost increases as reflected in publicly available cost indexes.

We may receive lump sum or dayrate based fees for the mobilization of equipment and personnel or for capital additions and upgrades prior to the start of drilling services. In some cases, we may also receive lump sum or dayrate based fees for demobilization upon completion of a drilling contract.

Our contracts may generally be terminated by the customer in the event the drilling unit is destroyed or lost or if drilling operations are suspended for an extended period because of a breakdown of major rig equipment, "force majeure" or upon the occurrence of other specified conditions. Some contracts include provisions that allow the customer to terminate the contract without cause for a specified early termination fee.

A drilling unit may be "stacked" if it has no contract in place. Drilling units may be either warm stacked or cold stacked. When a rig is warm stacked, the rig is idle but can deploy quickly if an operator requires its services. Cold stacking a rig involves reducing the crew to just a few key individuals or removal of the entire crew and storing the rig in a harbor, shipyard or designated area offshore.

10) Competition

The offshore drilling industry is highly competitive, with market participants ranging from large multinational companies to small locally-owned companies. The demand for offshore drilling services is driven by oil and gas companies’ exploration and development drilling programs. These drilling programs are affected by oil and gas companies’ expectations regarding oil and gas prices, anticipated production levels, worldwide demand for oil and gas products, the availability of quality drilling prospects, exploration success, availability of qualified rigs and operating personnel, relative production costs, availability and lead time requirements for drilling and production equipment, the stage of reservoir development and political and regulatory environments.

Oil and gas prices are volatile, which has historically led to significant fluctuations in expenditures by our customers for drilling services. Variations in market conditions during cycles impact us in different ways, depending primarily on the length of drilling contracts in different regions.

Offshore drilling contracts are generally awarded on a competitive bid basis or through privately negotiated transactions. In determining which qualified drilling contractor is awarded a contract, the key factors are pricing, rig availability, technical specification, rig location, condition and integrity of equipment, their record of operating efficiency, safety performance record, crew experience, reputation and industry standing and customer relations.

Furthermore, competition for offshore drilling rigs is generally on a global basis, as rigs are highly mobile. However, the cost associated with mobilizing rigs between regions is sometimes substantial, as entering a new region could necessitate upgrades of the unit and its equipment to specific regional requirements. In particular, for rigs to operate in harsh environments, such as offshore Norway and Canada, as opposed to benign environments, such as the Gulf of Mexico, West Africa, Brazil and Southeast Asia, more demanding weather conditions would require more costly investment in the outfitting and maintenance of the drilling units.

For further information on current market conditions and global offshore drilling fleet, refer to Item 5D - "Trend Information".

11) Risk of Loss and Insurance

Our operations are subject to hazards inherent in the drilling of oil and gas wells, including blowouts and well fires, which could cause personal injury, suspend drilling operations, or seriously damage or destroy the equipment involved. Offshore drilling contractors are also subject to hazards particular to marine operations, including capsizing, grounding, collision and loss or damage from severe weather. Our rig insurance package policy provides insurance coverage for physical damage to our rigs, loss of hire for our working rigs and third-party liability.

i. Physical Damage Insurance

We purchase hull and machinery insurance to cover for physical damage to our drilling rigs. We retain the risk, through self-insurance, for the deductibles relating to physical damage insurance on our drilling unit fleet; currently, a maximum of $5 million per occurrence.

ii. Loss of Hire Insurance

We also have insurance to cover loss of revenue for our operational rigs (floaters and harsh environment jack-ups, not benign environment jack-ups) in the event of extensive downtime caused by physical damage, where such damage is covered under our physical damage insurance. The loss of hire insurance has a deductible period of up to 60 days after the occurrence of physical damage. Thereafter we are compensated for loss of revenue up to 290 days per event and aggregated per year. The daily indemnity will vary from 75% to 100% of the contracted dayrate. We retain the risk related to loss of hire during the initial 60-day period, as well as any loss of hire exceeding the number of days permitted under the insurance policy. If the repair period for any physical damage exceeds the number of days permitted under the loss of hire policy, we will be responsible for the loss of revenue in such a period.

iii. Protection and Indemnity Insurance

We also purchase Protection and Indemnity insurance (P&I) and excess liability insurance for personal injury liability for crew claims, non-crew claims and third-party property damage including oil pollution from the drilling rigs to cover claims of up to $500 million and $700 million in the United States per event and in the aggregate. We retain the risk for the deductible of up to $25,000 per occurrence relating to protection and indemnity insurance or up to $500,000 for claims made in the United States.

12) Environmental and Other Regulations in the Offshore Drilling Industry

Our operations are subject to numerous laws and regulations in the form of international treaties and maritime regimes, flag state requirements, national environmental laws and regulations, navigation and operating permits requirements, local content requirements, and other national, state and local laws and regulations in force in the jurisdictions in which our drilling units operate or are registered, which can significantly affect the ownership and operation of our drilling units. For details of environmental laws and regulations affecting our operations, refer to Item 3 - "Key Information – D. Risk Factors – Risks Relating to Our Company and Industry – Governmental laws and regulations, including environmental laws and regulations, may add to our costs, expose to us liability, or limit our drilling activity".

i. Flag State Requirements

All our drilling units are subject to regulatory requirements of the flag state where the drilling unit is registered. The flag state requirements are international maritime requirements and, in some cases, further interpolated by the flag state itself. These include engineering, safety and other requirements related to the maritime industry. In addition, each of our drilling units must be “classed” by a classification society. The classification society certifies that the drilling rig is “in-class,” signifying that such drilling rig has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the flag state and the international conventions of which that country is a member. Maintenance of class certification requires expenditure of substantial sums and can require taking a drilling unit out of service from time to time for repairs or modifications to meet class requirements. Our drilling units must generally undergo class surveys annually and a renewal survey once every five years. In addition, for some of the internationally-required class certifications, such as the Code for the Construction and Equipment of Mobile Offshore Drilling Units (the “**MODU Code**”) certificate, the classification society will act on a flag state’s behalf. The Classification Society can also act on behalf of the Flag State for survey and issue of International Certification. Port States can also impose stricter regimes than the Flag State when the drilling unit is operating in their territorial waters.

ii. International Maritime Regimes

Applicable international maritime regime requirements include, but are not limited to, the **CLC**, the International Convention on Civil Liability for Bunker Oil Pollution Damage of 2001 (ratified in 2008), or the Bunker Convention, the **SOLAS**, the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, or the ISM Code, MODU Code, and the BMW Convention. These various conventions regulate air emissions and other discharges to the environment from our drilling units worldwide, and we may incur costs to comply with these regimes and continue to comply with these regimes as they may be amended in the future. In addition, these conventions impose liability for certain discharges, including strict liability in some cases. For details of these laws and regulations, refer to Item 3 - "Key Information - D. Risk Factors - Risks Relating to Our Company and Industry - We are subject to complex environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business".

The BWM Convention calls for a phased introduction of mandatory ballast water exchange requirements (beginning in 2009), to be replaced in time with a requirement for mandatory ballast water treatment. The BWM Convention entered into force on September 8, 2017. Under its requirements, only ballast water treatment will be accepted from the next International Oil Pollution Prevention renewal survey (after September 8, 2019). All Seadrill units considered in operational status are in full compliance with the staged implementation of the BWM Convention by International Maritime Organization guidelines.

iii. Environmental Laws and Regulations

Applicable environmental laws and regulations include the U.S. Oil Pollution Act of 1990, ("**OPA**"), the Comprehensive Environmental Response, Compensation and Liability Act, ("**CERCLA**"), the U.S. Clean Water Act, ("**CWA**"), the U.S. Clean Air Act, ("**CAA**"), the U.S. Outer Continental Shelf Lands Act ("**OCSLA**"), the U.S. Maritime Transportation Security Act of 2002 ("**MTSA**"), European Union regulations, including the EU Directive 2013/30 on the Safety of Offshore Oil and Gas Operations, and Brazil's National Environmental Policy Law (6938/81), Environmental Crimes Law (9605/98) and Federal Law (9966/2000) relating to pollution in Brazilian waters. These laws govern the discharge of materials into the environment or otherwise relate to pollution or protection of the environment and natural resources. In certain circumstances, these laws may impose strict, joint and several liability, rendering us liable for environmental and natural resource damages without regard to negligence or fault on our part. Implementation of new environmental laws or regulations that may apply to ultra-deepwater drilling units may subject us to increased costs or limit the operational capabilities of our drilling units and could materially and adversely affect our operations and financial condition. For details of these laws and regulations, refer to Item 3 - "Key Information - D. Risk Factors - Risks Relating to Our Company and Industry - We are subject to complex environmental laws and regulations that can adversely affect the cost, manner or feasibility of doing business".

iv. Safety Requirements

Our operations are subject to special safety regulations relating to drilling and to the oil and gas industry in many of the countries where we operate. The United States undertook substantial revision of safety regulations applicable to our industry following the 2010 Deepwater Horizon Incident, in which we were not involved. Other countries also have undertaken or are undertaking a review of their safety regulations related to our industry. These safety regulations may impact our operations and financial results by adding to the costs of exploring for, developing and producing oil and gas in offshore settings. For instance, in 2016, the BSEE published a final rule that sets more stringent design requirements and operational procedures for critical well control equipment used in offshore oil and gas drilling and separately announced a risk-based inspection program for offshore facilities. Also, in 2016, BOEM issued a final Notice to Lessees and Operators imposing more stringent supplemental bonding procedures for the decommissioning of offshore wells, platforms and pipelines. These regulations, which may result in additional costs for us, have since become the subject of additional review and possible revision by BSEE and BOEM and, as a result, we cannot predict their impact on our future operations. The EU also has undertaken a significant revision of its safety requirements for offshore oil and gas activities through the issue of the EU Directive 2013/30 on the Safety of Offshore Oil and Gas Operations. These other future safety and environmental laws and regulations regarding offshore oil and gas exploration and development may increase the cost of our operations, lead our customers to not pursue certain offshore opportunities and result in additional downtime for our drilling units. In addition, if material spill events similar to the Deepwater Horizon Incident were to occur in the future, or if other environmental or safety issues were to cause significant public concern, the United States or other countries could elect to, again, issue directives to cease drilling activities in certain geographic areas for lengthy periods of time.

v. Navigation and Operating Permit Requirements

Numerous governmental agencies issue regulations to implement and enforce the laws of the applicable jurisdiction, which often involve lengthy permitting procedures, impose difficult and costly compliance measures, particularly in ecologically sensitive areas, and subject operators to substantial administrative, civil and criminal penalties or may result in injunctive relief for failure to comply. Some of these laws contain criminal sanctions in addition to civil penalties.

vi. Local Content Requirements

Governments in some countries have become increasingly active in local content requirements on the ownership of drilling companies, local content requirements for equipment utilized in our operations, and other aspects of the oil and gas industries in their countries. These regulations include requirements for participation of local investors in our local operating subsidiaries in countries such as Angola and Nigeria. There are currently also local content requirements in relation to drilling unit contracts in which we are participating in Brazil, although Brazil recently lessened local content requirements for future projects. Although these requirements have not had a material impact on our operations in the past, they could have a material impact on our earnings, operations and financial condition in the future.

vii. Other Laws and Regulations

In addition to the requirements described above, our international operations in the offshore drilling segment are subject to various other international conventions and laws and regulations in countries in which we operate, including laws and regulations relating to the importation of, and operation of, drilling units and equipment, currency conversions and repatriation, oil and gas exploration and development, taxation of offshore earnings and earnings of expatriate personnel, the use of local employees and suppliers by foreign contractors and duties on the importation and exportation of drilling units and other equipment. There is no assurance that compliance with current laws and regulations or amended or newly adopted laws and regulations can be maintained in the future or that future expenditures required to comply with all such laws and regulations in the future will not be material.

C. ORGANIZATIONAL STRUCTURE

1) Consolidated Subsidiaries

A full list of our significant management, operating and rig-owning subsidiaries is shown in Exhibit 8.1. All subsidiaries are, indirectly or directly, wholly-owned by us.

2) Investments in Non-Consolidated Entities

In addition to owning and operating our offshore drilling units through our subsidiaries, we also have investments in other offshore drilling and oil services companies. Below are our significant equity investments:

i. Gulfdrill

Gulfdrill is a joint venture that operates five premium jack-ups in Qatar with Qatargas. We have a 50% ownership stake in Gulfdrill. The remaining 50% interest is owned by Gulf Drilling International ("**GDI**"), who manages all five rigs. We lease three of our jack-up rigs to the joint venture (*West Castor, West Telesto,* and *West Tucana)*, with the additional two units being leased from a third party shipyard. The Company only leases the rigs into Gulfdrill and all costs are incurred by Gulfdrill.

ii. Sonadrill

Sonadrill is a joint venture that operates drillships focusing on opportunities in Angolan waters. We have a 50% ownership stake in Sonadrill. The remaining 50% interest is owned by Sonangol. Both Seadrill and Sonangol agreed to bareboat two units each into the joint venture with Seadrill due to manage the two Sonangol owned drillships. On October 1, 2019, the first bareboat and management agreements for the Sonangol drilling unit, *Libongos*, became effective. The rig commenced its first drilling contract on October 10, 2019. The *Libongos* is currently operating in Angola while the *Quenguela* is contracted to start with Total in early 2022. The two committed Seadrill rigs will be leased to the joint venture when required; to date no contracts have been secured for these rigs.

For further information on our investments in non-consolidated entities, refer to Note 17 - "Investment in associated companies" to the Consolidated Financial Statements included herein.

3) Discontinued Operations

i. Paratus Energy Services Ltd (formerly NSNCo)

As of December 31, 2021, NSNCo, now Paratus Energy Services Ltd, owned investments in SeaMex (100%), Seabras Sapura (50%) and Archer (15.7%). These are described in further detail in points ii., iii., and iv. below.

On October 26, 2021, NSNCo and its subsidiaries were classified as a discontinued operation following the Bankruptcy Court's approval of a proposed sale of 65% of Seadrill's equity interest in NSNCo to its lenders. The sale was conducted through the use of a pre-packaged Chapter 11 bankruptcy process which completed on January 20, 2022. Following the sale in early 2022, NSNCo was renamed Paratus Energy Services Ltd, and was deconsolidated from the Seadrill group with the residual 35% interest being reflected as an equity method investment.

Please refer to the NSNCo restructuring described in Note 4 - Chapter 11 to the accompanying financial statements for further details.

ii. SeaMex

SeaMex is a drilling contractor that owns and operates five jack-up drilling units located in Mexico under contract with Pemex. SeaMex was a 50% owned joint venture until November, 2 2021, when NSNCo acquired the remaining 50% interest in SeaMex through a restructuring arrangement resulting in SeaMex being consolidated, as a discontinued operation, into NSNCo and Seadrill.

iii. Seabras Sapura

Seabras Sapura is a group of related companies that own and operate six pipe-laying service vessels in Brazil. NSNCo has a 50% ownership stake in each of these companies. The remaining 50% interest is owned by Sapura Energy.

iv. Archer

Archer is a global oilfield service company that specializes in drilling and well services. NSNCo owns 15.7% of the outstanding common shares of Archer and convertible loan note that has a conversion right into equity of Archer.

D. PROPERTY, PLANT AND EQUIPMENT

In this section, we provide details of our major categories of property, plant and equipment. We have categorized our assets as (i) drilling units and (ii) office and equipment. You can find further information in the notes to the Consolidated Financial Statements included in this report. For details on drilling units and equipment refer to Note 18 - "Drilling units" and Note 19 - "Equipment", respectively, to the Consolidated Financial Statements included herein.

1) Drilling units

The following tables, presented as at December 31, 2021, provide certain specifications for our drilling rigs. Unless otherwise noted, the stated location of each rig indicates either the current drilling location, if the rig is operating, or the next operating location, if the rig is mobilizing for a new contract.

Owned fleet

(i) Harsh Environment

Harsh Environment Semi-submersible rigs (two)

Unit	Year built	Water depth (feet)	Drilling depth (feet)	Location as at December 31, 2021	Estimated month of rig availability
West Venture	2000	2,600	30,000	Norway	Sold January 2022
West Phoenix	2008	10,000	30,000	Norway	November 2023

Harsh Environment Jack-up Rigs (one)

Unit	Year built	Water depth (feet)	Drilling depth (feet)	Location as at December 31, 2021	Estimated month of rig availability
West Elara	2011	450	40,000	Norway	March 2028

(ii) Floaters

Benign Environment Semi-submersible rigs (four)

Unit	Year built	Water depth (feet)	Drilling depth (feet)	Location as at December 31, 2021	Estimated month of rig availability
*Sevan Driller**	2009	10,000	40,000	Indonesia	Sold April 2022
West Eclipse	2011	10,000	40,000	Walvis Bay	available
*Sevan Brasil**	2012	10,000	40,000	Aruba	Sold April 2022
Sevan Louisiana	2013	10,000	40,000	USA	November 2022

Drillships (six)

Unit	Year built	Water depth (feet)	Drilling depth (feet)	Location as at December 31, 2021	Estimated month of rig availability
West Gemini	2010	10,000	35,000	Angola	May 2022
West Tellus	2013	12,000	40,000	Brazil	August 2025
West Neptune	2014	12,000	40,000	USA	January 2023
West Jupiter	2014	12,000	40,000	Spain	October 2025
West Saturn	2014	12,000	40,000	Brazil	June 2026
West Carina	2015	12,000	40,000	Sri Lanka	August 2025

(iii) Jack-ups

Benign Environment Jack-up Rigs (eleven)

Unit	Year built	Water depth (feet)	Drilling depth (feet)	Location as at December 31, 2021	Estimated month of rig availability
West Prospero	2007	400	30,000	Malaysia	available
West Ariel	2008	400	30,000	United Arab Emirates	available
West Cressida	2009	375	30,000	Malaysia	available
West Callisto	2010	400	30,000	Saudi Arabia	November 2022
West Leda	2010	375	30,000	Malaysia	available
AOD I	2013	400	30,000	Saudi Arabia	June 2022
AOD II	2013	400	30,000	Saudi Arabia	April 2024
AOD III	2013	400	30,000	Saudi Arabia	December 2022
West Castor	2013	400	30,000	Qatar	August 2023
West Tucana	2013	400	30,000	Qatar	May 2024
West Telesto	2013	400	30,000	Qatar	May 2025

In addition to the above owned fleet, we also lease three harsh environment rigs in the North Sea - the *West Linus* and *West Hercules*, which are leased from SFL and under contract with ConocoPhillips and Equinor, and the *West Bollsta*, which is leased from Northern Ocean. The SFL leased rigs are expected to be handed back to SFL in 2022. The *West Bollsta* completed operations with Lundin in February 2022 and the rig will shortly return to Northern Ocean.

The five SeaMex rigs are included within our discontinued operations held for sale and have been classified as managed rigs.

The drilling units were pledged as collateral under our senior secured debt held as subject to compromise at December 31, 2021. On emergence, the drilling units will be pledged as collateral under the new debt agreements.

Rig Disposal Program

Starting in 2020 and up to December 31, 2021, we have sold eight of our cold stacked units through our rig disposal program. Following the sale of the *West Epsilon* in 2020, we sold seven further rigs in 2021 (*West Vigilant, West Freedom, West Pegasus, West Alpha, West Orion, West Eminence* and *West Navigator*).

We sold the *West Venture* in January 2022 and the *Sevan Brasil* and *Sevan Driller* in April 2022. Refer to Note 34 – Subsequent events to the Consolidated Financial Statements included herein for further details.

2) Office and Equipment

We lease offices and other properties in several locations including Stavanger in Norway, Singapore, Houston in the United States, Rio de Janeiro in Brazil, Dubai in the United Arab Emirates and Liverpool and London in the United Kingdom. Our Consolidated Balance Sheet includes office equipment, IT equipment and leasehold improvements held in these locations.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

In this section, we present management's discussion and analysis of results of operations and financial condition. It should be read in conjunction with our Consolidated Financial Statements and accompanying notes thereto included herein. You should also carefully read the following sections of this annual report entitled "Cautionary Statement Regarding Forward-Looking Statements," Item 3 - "Key Information - A. Selected Financial Data", Item 3 - "Key Information - D. Risk Factors" and Item 4 - "Information on the Company".

Our Consolidated Financial Statements have been prepared in accordance with U.S. GAAP and are presented in U.S. dollars unless otherwise indicated. We refer you to the notes to the Consolidated Financial Statements for a discussion of the basis on which the Consolidated Financial Statements are prepared.

1) Introduction

We are an offshore drilling contractor providing worldwide offshore drilling services to the oil and gas industry. For a detailed description of our business please read Item 4B - "Business Overview".

2) Discontinued operations

As set out in Note 4 - Chapter 11 proceedings to these financial statements, the Company concluded a comprehensive restructuring of its balance sheet on February 22, 2022. As part of this restructuring process, the Company disposed of 65% of its equity interest in NSNCo on January 20, 2022. Prior to year end, on November 2, 2021, NSNCo completed the acquisition of the residual 50% equity interest in SeaMex Ltd, a company that it had previously held as a joint venture with Fintech. The agreed sale of 65% of NSNCo meant that the assets and liabilities were classified as held-for-sale as at December 31, 2021 and its results were reported as "discontinued operations" in the statement of operations. The comparative periods of the consolidated financial statements were adjusted for this classification and all balances presented in the remainder of this filing represent those for continuing operations unless otherwise indicated.

3) Changes to our fleet

The below table shows the number of owned drilling units included in our fleet for each of the periods covered by this report.

Drilling units owned	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
Harsh environment floaters	2	4	4
Harsh environment jack-up rigs	1	1	2
Total harsh environment rigs	**3**	**5**	**6**
Drillships	6	6	6
Semi-submersible rigs	4	7	7
Total floaters	**10**	**13**	**13**
Jack-up rigs	11	13	13
Total drilling units [(1)]	**24**	**31**	**32**

[(1)] We sold the *West Venture* in January 2022 and both the *Sevan Driller* and the *Sevan Brasil* in April 2022 from the above fleet. See Note 34 – Subsequent events to the Consolidated Financial Statements included herein for further details.

The reduction in our owned fleet is driven by sales under our rig disposal program. For further information, refer to Item 4D - "Property, Plant and Equipment".

The below table shows the number of managed/leased drilling units included in our fleet for each of the periods covered by this report:

Drilling units managed/leased	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
Managed rigs			
Floater	4	10	10
Jack up / Tender	5	8	8
Total managed rigs	**9**	**18**	**18**
Leased			
Harsh environment - floaters	2	4	3
Harsh environment - Jack-up	1	1	1
Total drilling units	**3**	**5**	**4**

The decrease in managed rigs during 2021 was due to the termination of nine Aquadrill management contracts. Rigs under Seadrill's management remained unchanged between 2019 and 2020.

The decrease in leased rigs during 2021 was due to the redelivery of the *West Mira* to Northern Ocean and *West Taurus* to SLF Corporation. Leased rigs increased by one unit in 2020 due to the new lease agreement with Northern Ocean relating to the *West Bollsta*.

There are no newbuildings for 2021 and 2020. We had an option, which expired on June 30, 2020 and was not exercised, to acquire the semi-submersible rig *Sevan Developer*.

4) Contract backlog

Contract backlog includes all firm contracts at the maximum contractual operating dayrate multiplied by the number of days remaining in the firm contract period. For contracts which include a market indexed rate mechanism we utilize the current applicable dayrate multiplied by the number of days remaining in the firm contract period. Contract backlog excludes revenues for mobilization, demobilization and contract preparation or other incentive provisions and excludes backlog relating to non-consolidated entities. Contract backlog excludes management contract revenue from Seadrill Partners, SeaMex, Sonadrill and Northern Ocean, some of which are on rolling contracts.

The contract backlog for our fleet was as follows as at the dates specified:

(In $ millions)

Contract backlog	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
Harsh environment [(1)]	810	1,476	1,805
Floaters	1,309	132	364
Jack-ups	149	249	375
Total	**2,268**	**1,857**	**2,544**

[(1)] Subsequent to period end, backlog was reduced by $459 million related to the negotiated amendment to the *West Linus* lease with SFL. The rig is now expected to be delivered back to SFL in 2022, at which point Seadrill will no longer be the operator of the drilling contract.

Our contract backlog includes only firm commitments represented by signed drilling contracts. The full contractual operating dayrate may differ to the actual dayrate we ultimately receive. For example, an alternative contractual dayrate, such as a waiting-on-weather rate, repair rate, standby rate or force majeure rate, may apply under certain circumstances. The contractual operating dayrate may also differ to the actual dayrate we ultimately receive because of several other factors, including rig downtime or suspension of operations. In certain contracts, the dayrate may be reduced to zero if, for example, repairs extend beyond a stated period.

We project our December 31, 2021 contract backlog to unwind over the following periods.

(In $ millions)

Contract backlog	**Total**	**2022**	**2023**	**2024**	**Thereafter**
Harsh environment	810	313	191	72	234
Floaters	1,309	264	356	352	337
Jack-ups	149	107	33	9	—
Total	**2,268**	**684**	**580**	**433**	**571**

The actual amounts of revenues earned and the actual periods during which revenues are earned will differ from the amounts and periods shown in the tables above due to various factors, including shipyard and maintenance projects, unplanned downtime and other factors that result in lower applicable dayrates than the full contractual operating dayrate. Additional factors that could affect the amount and timing of actual revenue to be recognized include customer liquidity issues and contract terminations, which are available to our customers under certain circumstances.

A. RESULTS OF OPERATIONS

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Operating revenues	1,008	1,059	1,388
Operating expenses	(1,114)	(1,457)	(1,722)
Other operating items	(51)	(4,084)	39
Operating loss	**(157)**	**(4,482)**	**(295)**
Interest expense	(109)	(409)	(421)
Reorganization items, net	(310)	—	—
Other financial and non-operating items	(11)	447	(44)
Loss before income taxes	**(587)**	**(4,444)**	**(760)**
Income tax (expense)/benefit	(5)	(4)	40
Income/(loss) from discontinued operations	5	(215)	(502)
Net loss	**(587)**	**(4,663)**	**(1,222)**

1) Operating revenues

Total operating revenues consist of contract revenues, reimbursable revenues, management contract revenues and other revenues. We have analyzed operating revenues between these categories in the table below:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Contract revenues [(a)]	764	703	997
Reimbursable revenues [(b)]	35	37	41
Management contract revenue [(c)]	177	289	338
Other revenues [(d)]	32	30	12
Total operating revenues	**1,008**	**1,059**	**1,388**

a) Contract revenues

Contract revenues represent the revenues that we earn from contracting drilling units to customers, primarily on a dayrate basis. Contract revenue relates to Seadrill's owned units as well as harsh-environment rigs that have been leased from SFL and Northern Ocean. We have analyzed contract revenues by segment in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	437	376	313
Floaters	226	210	477
Jack-ups	101	117	207
Contract revenues	**764**	**703**	**997**

Contract revenues are primarily driven by the average number of rigs under contract during a period, the average dayrates earned and economic utilization achieved by those rigs under contract. We have set out movements in these key indicators of performance in the sections below.

i. Average number of owned or leased rigs on contract

We calculate the average number of rigs on contract by dividing the aggregate days our rigs were on contract during the reporting period by the number of days in that reporting period. The average number of rigs on contract for the periods covered is set out in the below table:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	4	4	4
Floaters	3	3	5
Jack-ups	4	3	7
Average number of rigs on contract	**11**	**10**	**16**

Harsh Environment

The average number of harsh environment rigs remained at four on contract in the periods presented. We have five units that operated during the year (*West Elara, West Linus, West Phoenix, West Hercules* and *West Bollsta),* of which the *West Phoenix* was idle until August 2021. The *West Venture*, a cold stacked harsh environment unit, was sold in January 2022 and we anticipate that the three leased rigs, *West Hercules, West Linus* and *West Bollsta* will be returned to their owners in 2022, leaving two units in our go-forward fleet.

Floaters

There has been no change in the average number of floaters on contract between 2021 and 2020, although we have benefited from improved activity during the second half of 2021 and had five floaters operating at the end of year. In addition, our two cold stacked drillships, *West Jupiter* and *West Carina,* are being reactivated for operation in Brazil following the signing of two long terms contracts with Petrobras. We sold two of the remaining long-term cold stacked units (*Sevan Brasil* and *Sevan Driller*) in April 2022. We are marketing the remaining unit (*West Eclipse*) but would reactivate her if suitable work is secured that would provide an appropriate investment return on the reactivation cost.

The average number of floaters on contract decreased by two between 2020 and 2019 primarily due to the *West Jupiter* and *West Saturn* completing their contracts in 2019.

Jack-ups

The average number of jack-up rigs on contract presented above excludes three rigs leased to Gulfdrill (*West Castor*, *West Telesto* and *West Tucana*) as the charter revenue on those leases are included in "Other revenue" (discussed below). The average number of jack-ups on contract increased by one between 2021 and 2020 primarily due to the *AOD II* returning to operations with Saudi Aramco following a suspension in 2020. The remaining four long-term cold stack jack-ups are being marketed and would be reactivated if suitable work is secured.

The average number of jack-ups on contract decreased by four between 2020 and 2019 primarily due to the *West Telesto* and *West Castor* completing their contracts in 2019 and being leased to Gulfdrill in 2020, the suspension of the *AOD II* contract with Saudi Aramco in 2020, and the *West Tucana* completing its contract in 2020.

ii. Average contractual dayrates

We calculate the average contractual dayrate by dividing the aggregate contractual dayrates during a reporting period by the aggregate number of days for the reporting period. We have set out the average contractual dayrates for the periods presented in the below table:

(In $ thousands)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	263	242	215
Floaters	199	196	247
Jack-ups	78	80	79

Harsh Environment

The average contractual dayrate for harsh environment rigs increased by $21k per day between the years ended December 31, 2021 and 2020, primarily due to higher dayrates on new contracts and clients for the *West Phoenix* and *West Hercules*. This was partly offset by lower dayrates on the *West Bollsta's* new contract as well as the *West Linus,* and *West Elara* earning lower market-indexed rates on their long-term contracts.

The average contractual dayrate for harsh environment rigs increased by $27k per day between the years ended December 31, 2020 and 2019, primarily due to the *West Phoenix* operating at higher dayrates and due to the *West Linus* and *West Elara* earning higher market-indexed rates on their long-term contracts with ConocoPhillips.

Floaters

The average contractual dayrate for floaters increased by $3k per day between the years ended December 31, 2021 and 2020. This was primarily due to the *West Saturn* ,which was previously warm stacked, and *Sevan Louisiana* both operating at higher dayrates in 2021. This was partially offset by the *West Carina* being cold stacked and the *West Neptune* and *West Tellus* operating at lower dayrates in 2021.

The average contractual dayrate for floaters decreased by $51k per day between the years ended December 31, 2020 and 2019. This was primarily due to the *West Jupiter* completing a legacy dayrate contract at the end of 2019. This was partly offset by the *Sevan Louisiana* operating at a higher dayrate in 2020 compared to 2019.

Jack-ups

The average contractual dayrate for jack-ups decreased by $2k per day between the years ended December 31, 2021 and 2020. This was primarily due a decrease in the dayrate on the *AOD II* with Saudi Aramco on extension of contract in 2021. This was partly offset by *AOD III* earning a higher dayrate on their contract, also with Saudi Aramco.

The average contractual dayrate for jack-ups increased by $1k per day between the years ended December 31, 2020 and 2019. This was primarily due to two rigs on lower rates being stacked in 2020 and the *West Callisto* being on higher day rates in 2020. This was off-set by the suspension of the *AOD II's* contract in 2020 and *AOD III* operating on a higher dayrate in 2019 compared to 2020 after it secured a long-term extension at a lower dayrate with Saudi Aramco.

iii. Economic utilization for rigs on contract

We define economic utilization as dayrate revenue earned during the period, excluding bonuses, divided by the contractual operating dayrate multiplied by the number of days on contract in the period. If a drilling unit earns its full operating dayrate throughout a reporting period, its economic utilization would be 100%. However, there are many situations that give rise to a dayrate being earned that is less than contractual operating rate, such as planned downtime for maintenance. In such situations, economic utilization reduces below 100%.

Economic utilization for each of the periods presented in this report is set out in the below table:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	93 %	92 %	90 %
Floaters	84 %	88 %	92 %
Jack-ups	96 %	98 %	96 %

Economic utilization for harsh environment increased by 1% in 2021 primarily due to 2020 downtime on the *West Bollsta*. Economic utilization for floaters decreased by 4% primarily due to 2021 downtime on *West Saturn, West Tellus* and *Sevan Louisiana* relating to malfunctioning subsea equipment. Economic utilization for jack-ups decreased by 2% primarily due to the *AOD II* earning a reactivation rate for a period at the point it returned to operations following its contract suspension during the first half of the year, compounded by the *West Callisto* planned special periodic survey.

The economic utilization for harsh environment rigs increased by 2% from 2019 to 2020, primarily due to 2019 downtime on the *West Phoenix*, *West Hercules* and *West Linus* relating to malfunctioning subsea equipment. Economic utilization for floaters decreased by 4% in 2020 primarily due to the unplanned BOP on the *West Tellus*. Economic utilization for jack-ups increased by 2% in 2020 primarily due to improvements on the *West Castor.*

b) Reimbursable revenues

We generally receive reimbursements from our customers for the purchase of supplies, equipment, personnel and other services provided at their request in accordance with a drilling contract. We classify such revenues as reimbursable revenues.

c) Management contract revenue

We have analyzed management contract revenues by segment in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	29	129	184
Floaters	125	126	119
Jack-ups	12	17	13
Other	11	17	22
Management contract revenue	**177**	**289**	**338**

Harsh environment management contract revenues decreased between the years ended December 31, 2021, 2020 and 2019 due to a lower recharge to Northern Ocean relating to the *West Bollsta* as the first mobilization project completed in 2020, and from early 2021 when we stopped providing management services to *West Mira*. This was partly offset by higher management fees charged to Sonadrill in 2021 relating to the *Quenguela* and the *Libongos*, which returned to operations after being suspended in 2020.

d) Other revenues

Other revenues include the following:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Leasing revenues *(i)*	26	19	1
Early termination fees *(ii)*	6	11	11
Other revenues	**32**	**30**	**12**

i. Leasing revenues

Lease revenue increased between the years ended December 31, 2021 and 2020 due to higher charter fees for *West Tucana* which commenced operations in November 2020. Lease revenue increased between the years ended December 31, 2020 and 2019 due to the *West Castor, West Telesto* and *West Tucana* being leased to Gulfdrill.

ii. Early termination fees

Early termination fees were received for the *West Bollsta* in 2021, the *West Gemini* in 2020, and the *West Jupiter* and *West Castor* in 2019.

2) Operating expenses

Total operating expenses include vessel and rig operating expenses, amortization of intangibles, reimbursable expenses, management contract expense, depreciation of drilling units and equipment, and selling, general and administrative expenses. We have analyzed operating expenses between these categories in the table below:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Vessel and rig operating expenses *(i)*	(676)	(606)	(726)
Depreciation *(ii)*	(155)	(346)	(426)
Amortization of intangibles *(iii)*	—	(1)	(134)
Reimbursable expenses	(32)	(34)	(39)
Selling, general and administrative expenses *(iv)*	(77)	(80)	(95)
Management contract expense *(v)*	(174)	(390)	(302)
Operating expenses	**(1,114)**	**(1,457)**	**(1,722)**

i. Vessel and rig operating expenses

Vessel and rig operating expenses represent the costs we incur to operate a drilling unit that is either in operation or stacked. This includes the remuneration of offshore crews, rig supplies and expenses for repairs and maintenance.

We have analyzed vessel and rig operating expenses by segment in the table below:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	373	250	243
Floaters	231	272	342
Jack-ups	72	84	141
Vessel and rig operating expenses	**676**	**606**	**726**

Vessel and rig operating expenses are mainly driven by rig activity. On average, we incur higher vessel and rig operating expenses when a rig is operating compared to when it is stacked. For stacked rigs we incur higher vessel and rig expenses for warm stacked rigs compared to cold stacked rigs. We incur one-time costs for activities such as preservation and severance when we cold stack a rig. We also incur significant costs when re-activating a rig from cold stack, a proportion of which is expensed as incurred.

For detail on the movement in operating rigs in each period presented, please refer to section 1 a) - "i. Average number of owned or leased rigs on contract".

Harsh environment rigs incurred higher costs in 2021 despite the amount of rigs on contract being consistent with the prior year. This was largely due to higher personnel costs combined with increased lease expense on the *West Bollsta.* This was partially offset by the sale of *West Navigator, West Alpha* and *West Eminence*, for which we no longer incur rig maintenance costs. The increase in costs in 2020 compared to 2019 was due to increased personnel and COVID-19 related costs which was partly offset by the disposal of the cold stacked *West Epsilon* in 2020.

Operating expenses on floater rigs decreased in 2021 mainly driven by the sale of the *West Orion, West Pegasus* and *West Eclipse*, along with two warm stacked rigs being transitioned to a cold stacked status. Warm stacked rigs generally incur higher expenditure due to the anticipation of new operations, thus maintaining some functions that are usually paused when a rig is cold stacked. Operating expenses in 2020 decreased from 2019 due to the *West Neptune* and *Sevan Louisiana* moving from an operating to warm stacked status.

Jack up rigs saw a decrease in expenses for the year ended December 31, 2021 due to the sale of *West Vigilant* and *West Freedom,* along with an additional rig leased to Gulfdrill, as leased rigs typically incur minimal operational expenses. There are now three rigs being leased to Gulfdrill; *West Telesto, West Tucana* and *West Castor.* Operating expenses were lower in 2020 than 2019 due to a decrease in the number of operating rigs as well as rigs being leased to Gulfdrill.

ii. Depreciation of drilling units and equipment

We record depreciation expense to reduce the carrying value of drilling unit and equipment balances to their residual value over their expected remaining useful economic lives.

Depreciation decreased in 2021 compared to 2020 as a result of the impairments recognized on our drilling fleet in both March and December 2020, compounded by a further impairment of the *West Hercules* in June 2021. See Note 11 – "Loss on impairment of long-lived assets" to the Consolidated Financial Statements included herein for more information.

Similarly depreciation decreased in 2020 from 2019 due to the impairments recognized 2020 that resulting in lower carrying values of our drilling units and equipment, on which the depreciation charge is based.

iii. Amortization of intangibles

For periods before emergence from the previous Chapter 11 Proceedings we recognized intangible assets or liabilities only where we acquired a drilling contract in a business combination. We amortize these assets and liabilities over the remaining contract period and report the amortization under operating expenses.

Amortization reduced in 2021 and 2020, after completion of favorable contracts and an impairment recognized against the Seadrill Partners management contracts in 2020. See Note 16 - "Other assets" to the Consolidated Financial Statements included herein for more information.

iv. Selling, general and administrative expenses

Selling, general and administrative expenses include the cost of our corporate and regional offices, certain legal and professional fees, as well as the remuneration and other compensation of our officers, directors and employees engaged in central management and administration activities.

Selling, general and administrative expenses decreased in both 2021 and 2020 primarily due to lower legal and consultancy fees and a reduction in corporate office expenses.

v. Management contract expense

Management contract expense includes costs incurred in providing management and operational services on behalf third parties. We have analyzed management contract expenses in the table below:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Management contract expense	(30)	(92)	(79)
Reimbursable expenses	(108)	(156)	(223)
Expected credit losses	(36)	(142)	—
Total management contract expense	**(174)**	**(390)**	**(302)**

The decrease in management contract expense from 2020 to 2021 is due to the termination of the Wintershall contract with Northern Ocean and termination of services to Aquadrill. This was partly offset by an increase in fees charged to Sonadrill for the *Libongos* and *Quenguela*.

The 2020 increase in management contract expense was due to increased fees charged to Sonadrill for the *Libongos*, which went on contract in October 2019, partially offset by a decrease in reimbursable expenses billed to Sonadrill.

Refer to Note 5 – "Current expected credit losses" to the Consolidated Financial Statements included herein for more information regarding expected credit losses.

3) Other operating items

Other operating items include losses on impairment of long-lived assets and intangibles, gains on sale of assets and other operating income. We have analyzed other operating items between these categories in the below table:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Loss on impairment of long-lived assets *(i)*	(152)	(4,087)	—
Loss on impairment of intangible *(ii)*	—	(21)	—
Gain on sale of assets *(iii)*	47	15	—
Other operating income *(iv)*	54	9	39
Other operating items	**(51)**	**(4,084)**	**39**

i. Impairment of long-lived assets

The *West Hercules* was impaired in 2021 following an amendment to the terms of the leasing arrangements with SFL.

In 2020, impairment charges of $4.1 billion was booked against our rigs, reflecting our view that challenging market conditions were likely to persist for a sustained period and that certain of our cold stacked units were unlikely to return to the working fleet. We impaired all long-term cold stacked units in full and all other drillships and benign environment semi-submersible rigs were written down to their estimated fair market value.

ii. Impairment of intangible

In 2020 we impaired Seadrill Partners' management contracts after Seadrill Partners voluntarily entered into Chapter 11 on December 1, 2020.

iii. Gain on sale of assets

The gain on sale of assets in 2021 was due to the sale of the *West Vigilant, West Pegasus, West Freedom, West Alpha, West Orion, West Eminence* and *West Navigator*. These disposal were part of our rig disposal program; refer to Item 4D for further details.

The gain on sale of assets in 2020 was due to the sale of the *West Epsilon* and the sale of spare parts on the *West Telesto* to our Gulfdrill joint venture partner, GDI.

iv. Other operating income

The below table summarizes the main components of other operating income for the periods presented.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Pre-petition liabilities write-off *(i)*	27	—	—
Loss of hire insurance settlement *(ii)*	2	9	10
Receipt of overdue receivable *(iii)*	—	—	26
Settlement with shipyard	—	—	3
Others *(iv)*	25	—	—
Other operating income	**54**	**9**	**39**

i. Pre-petition liabilities write-off

Write-off of pre-petition lease liabilities due to Northern Ocean for the *West Bollsta* of $19 million and pre-petition liabilities to Aquadrill (formerly Seadrill Partners) of $8 million as a consequence of global settlement agreements with Northern Ocean and Aquadrill becoming effective

ii. Loss of hire insurance settlement

The 2021 insurance gain relates to excess recovery on the physical damage claimed on the *Sevan Louisiana*. The 2020 gain relates to the settlement of a claim on our loss of hire insurance policy following an incident on the *Sevan Louisiana.*

iii. Receipt of overdue receivables

Receipt of overdue receivables in 2019 which had not been recognized as an asset as part of fresh start accounting.

iv. Others

Primarily relates to a $22 million rebate of previously incurred war insurance premiums from The Norwegian Shipowners' Mutual War Risks Insurance Association ("**DNK**").

4) Interest expense

We have analyzed interest expense into the following components:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Cash and payment-in-kind interest on debt facilities *(i)*	(25)	(266)	(374)
Interest on SFL Leases *(ii)*	(84)	(12)	—
Unwind of discount debt	—	(44)	(47)
Write off discount debt *(iii)*	—	(87)	—
Interest expense	**(109)**	**(409)**	**(421)**

i. Cash and payment-in-kind interest on debt facilities

We incur cash and payment-in-kind interest on our debt facilities. This is summarized in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Senior credit facilities and unsecured bonds	(25)	(239)	(327)
Debt of consolidated Variable Interest Entities	—	(27)	(47)
Cash and payment-in-kind interest on debt facilities	**(25)**	**(266)**	**(374)**

Our senior credit facilities incurred interest at LIBOR plus a margin. For periods after July 2, 2018, this margin increased by one percentage point following the emergence from the Previous Chapter 11 Proceedings. On February 7, 2021, after filing for Chapter 11, we recorded contractual interest payments against debt held as subject to compromise ("adequate protections payments") as a reduction to debt in the Consolidation Balance sheet and not as an expense to Consolidated Statement of Operations. For further information on our bankruptcy proceedings refer to Note 4 - Chapter 11 of our Consolidated Financial Statements included herein.

ii. Interest on SFL Leases

In the fourth quarter of 2020 we deconsolidated the Ship Finance SPVs as we are no longer primary beneficiary of the variable interest entities. Following the deconsolidation, we recognized the liability, and related interest expense, between Seadrill and the SPVs that was previously eliminated on consolidation.

iii. Write off of discount on debt

In September 2020 and December 2020, there were non-payments of interest on our secured credit facilities that constituted an event of cross-default. The event of default resulted in the expense of unamortized debt discount of $87 million.

5) Reorganization items, net

We have analyzed reorganization items, net into the following components:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Advisory and professional fees after filing *(i)*	(127)	—	—
Remeasurement of terminated lease to allowable claim *(ii)*	(186)	—	—
Interest income on surplus cash invested *(iii)*	3	—	—
Total reorganization items, net	**(310)**	—	—

i. Advisory and professional fees

Expenses and income directly associated with the Chapter 11 cases are reported separately in the income statement as reorganization items, net as required by Accounting Standards Codification 852, Reorganizations.

ii. Remeasurement of terminated lease to allowable claim

The *West Taurus* lease was rejected through the Chapter 11 proceedings and the rig was handed back to SLF in early 2021 resulting in the loss recognized, being the difference between the outstanding liability held at fair value and its expected claim value. The liability will be discharged on emergence from bankruptcy and SFL will receive a pro-rated share of the $0.25 million which has been set aside for such claims.

iii. Interest income on surplus cash invested

Interest income on surplus cash across the group reclassified to reorganization items, net in accordance with US GAAP bankruptcy accounting guidance.

6) Other financial and non-operating items

We have analyzed other income and expense into the following components:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Interest income *(i)*	1	9	35
Share in results from associated companies (net of tax) *(ii)*	3	—	(22)
Loss on impairment of investments (iii)	—	—	(6)
Loss on derivative financial instruments *(iv)*	—	(3)	(37)
Fair value measurement on deconsolidation of VIE *(v)*	—	509	—
Foreign exchange loss *(vi)*	(4)	(23)	(11)
Other financial items *(vi)*	(11)	(45)	(3)
Other financial and non-operating items	**(11)**	**447**	**(44)**

i. Interest Income

Interest income relates to interest earned on cash deposits and other financial assets. Interest income decreased in both 2021 and 2020 as a result of a decrease in cash deposits and a fall in interest rates.

ii. Share of results in associated companies (net of tax)

Share of results in associated companies represents our share of earnings or losses in our investments accounted under the equity method.

The share of results from associated companies in 2021 and 2020 reflect a share in after-tax profits from our investment in Sonadrill partly offset by a share of losses from our investment in Gulfdrill. The share in after tax loss of associated companies for the 2019 reflects a share in losses in our investments in Seadrill Partners and Sonadrill.

iii. Loss of impairment of investment

On September 6, 2019, Seadrill Partners announced its suspension from trading on the NYSE. This was considered an other than temporary impairment indicator which led to an impairment review being performed in respect of the Seadrill investment in Seadrill Partners. The result of this exercise was a total impairment charge of $6 million across the investments we hold in Seadrill Partners.

iv. Loss on derivative financial instruments

On May 11, 2018, we bought an interest rate cap from Citigroup for $68 million. The interest rate cap mitigates our exposure to future increases in LIBOR over 2.87% from our floating bank debt. We also have a conversion option on a bond issued to us by Archer Limited. We record both of these assets at fair value.

No fair value movement on the derivative on the interest cap in the year end December 31,2021. The loss on derivatives in the year ended December 31, 2020 was a fair value loss on the interest rate cap of $3 million due to a decrease in forward interest rates.

The loss on derivatives in the year ended December 31, 2019 of $37 million comprised a fair value loss on our interest rate cap derivatives due to a decrease in forward interest rates.

v. Fair value measurement on deconsolidation of VIE

In the year ended December 31, 2020 a non-cash gain of $509 million arose following the deconsolidation of Ship Finance SPVs, which were previously consolidated by Seadrill under the variable interest model. The Ship Finance SPVs are the legal owners of the *West Taurus*, *West Hercules,* and *West Linus*, which were leased to Seadrill under capital lease arrangements. Following certain events in the period, Seadrill removed the assets and liabilities of the Ship Finance SPVs from the Company's consolidated balance sheet and recorded liabilities in respect of the three leases in their place. As the fair value of the lease liabilities was lower than the carrying values of the liabilities, this resulted in a large non-cash gain.

vi. Foreign exchange loss

Foreign exchange gains and losses relate to exchange differences on the settlement or revaluation of monetary balances denominated in currencies other than the U.S. dollar.

The foreign exchange movement is primarily driven by collateral placed with BTG Pactual in May 2019, under a letter of credit arrangement, of 330 million Brazilian Reais.

vii. Other financial items

Other financial items for the year ended December 31, 2020 primarily comprised professional and advisory fees related to our comprehensive restructuring and provisions for expected credit losses against related party loans receivable. The decrease in 2021 is primarily due to moving these restructuring cost to reorganization items, net in February 2021 following filing for Chapter 11.

7) Income tax expense/benefit

Income tax expense/benefit consists of taxes currently payable and changes in deferred tax assets and liabilities related to our ownership and operation of drilling units and may vary significantly depending on jurisdictions and contractual arrangements. In most cases the calculation of taxes is based on net income or deemed income, the latter generally being a function of gross revenue.

Income tax for the year ended December 31, 2021 remained consistent with the prior year at $5 million (December 31, 2020: $4 million). The $40 million tax benefit recognized in 2019 was primarily due to the reversal of uncertain tax positions in the US.

B. LIQUIDITY AND CAPITAL RESOURCES

1) Emergence from Bankruptcy

On February 22, 2022, Seadrill completed its comprehensive restructuring and emerged from Chapter 11 bankruptcy protection. Please refer to Note 4 - "Chapter 11" of the accompanying financial statements for further details.

In our report at June 30, 2021, we reported a substantial doubt as to our ability to continue as a going concern as a result of the fact that we were in Chapter 11 and there was a degree of inherent risk associated with being in bankruptcy and whether the Plan of Reorganization would be confirmed. Having now emerged from Chapter 11 and with access to exit financing, we believe that cash on hand, contract and other revenues will generate sufficient cash flow to fund our anticipated debt service and working capital requirements for the next twelve months. Therefore, there is no longer a substantial doubt over our ability to continue as a going concern for at least the next twelve months following the date of issue of the financial statements.

Financial information in this report has been prepared on a going concern basis of accounting, which presumes that we will be able to realize our assets and discharge our liabilities in the normal course of business as they come due. Financial information in this report does not reflect the adjustments to the carrying values of assets, liabilities and the reported expenses and balance sheet classifications that would be necessary if we were unable to realize our assets and settle our liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2) Liquidity

Seadrill Limited's short-term liquidity requirements relate to servicing debt by way of amortization, repayments and interest payments, and funding working capital requirements. Sources of liquidity include existing cash balances, short-term investments and contract and other revenues. The Company has historically relied on cash generated from operations to meet its short-term liquidity needs. However, as a result of the downturn in the offshore industry, the Company has been required to obtain additional financing to support its liquidity needs. We achieved this through the Chapter 11 Proceedings, which is described in Note 4 - "Chapter 11".

Our level of liquidity fluctuates depending on a number of factors. These include, among others, our contract backlog, economic utilization achieved, timing of accounts receivable collection, and timing of payments for operating costs and other obligations. Our liquidity comprises cash and cash equivalents. The below tables show cash and restricted cash balances for each period presented.

(In $ millions)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Unrestricted cash	312	491	1,087
Restricted cash	223	168	218
Cash and cash equivalents, including restricted	**535**	**659**	**1,305**

We have shown our sources and uses of cash by category of cash flows in the below table:

(In $ millions)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Net cash used in operating activities *(a)*	(154)	(420)	(256)
Net cash provided by/(used in) investing activities *(b)*	37	(32)	(26)
Net cash used in financing activities *(c)*	—	(163)	(367)
Effect of exchange rate changes in cash and cash equivalents	(2)	(19)	3
Change in period	**(119)**	**(634)**	**(646)**

This reconciles to the total cash and cash equivalents, including restricted, which is as follows:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Opening cash and cash equivalents, including restricted cash	723	1,357	2,003
Opening cash and cash equivalents, including restricted cash - continuing operations	659	1,305	1,632
Opening cash and cash equivalents, including restricted cash - discontinued operations	64	52	371
Change in period - continuing operations	(124)	(646)	(327)
Change in period - discontinued operations	5	12	(319)
Closing cash and cash equivalents, including restricted cash	**604**	**723**	**1,357**
Closing cash and cash equivalents, including restricted cash - continuing operations	**535**	**659**	**1,305**
Closing cash and cash equivalents, including restricted cash - discontinued operations	**69**	**64**	**52**

a) Net cash used in operating activities

Net cash used in operating activities include cash receipts from customers, cash paid to employees and suppliers (except for capital expenditure), interest and dividends received (except for returns of capital), interest paid, income taxes paid and other operating cash payments and receipts.

We calculate net cash used in operating activities using the indirect method as summarized in the below table:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Net loss	(587)	(4,663)	(1,222)
Net operating income/(loss) adjustments related to discontinued operations [(1)]	(23)	191	469
Adjustments to reconcile net loss to net cash provided by operating activities [(2)]	550	4,212	597
Net loss after adjustments	**(60)**	**(260)**	**(156)**
Payments for long-term maintenance	(64)	(121)	(114)
Repayments made under lease arrangements	(46)	—	—
Changes in operating assets and liabilities	16	(39)	14
Net cash used in operating activities	**(154)**	**(420)**	**(256)**

[(1)] Relates to adjustments made to the net income/loss of discontinued operations to reconcile to operating cash flows from discontinued operations. The adjustments are made up of adjustments to reconcile net loss to net cash used in operating activities, other cash movements in operating activities, and changes in operating assets and liabilities, net of effect of acquisitions and disposals.

[(2)] Includes depreciation, amortization, gain on sale of assets, share of results from associated companies, loss on impairment of long-lived assets, investments, intangible assets and convertible note from related party, unrealized losses on derivatives and marketable securities, unrealized foreign exchange loss, non-cash reorganization items, payment-in-kind interest, fair value measurement on deconsolidation of VIE, amortization of discount on debt, changes in allowance for credit losses, deferred tax benefit and other non-cash items shown under the sub-heading "adjustments to reconcile net loss to net cash provided by operating activities" in the Consolidated Statements of Cash Flows presented in the Consolidated Financial Statements included in this report.

Market conditions in the offshore drilling industry in recent years have led to materially lower levels of spending for offshore exploration and development. This has negatively affected our revenues, profitability and operating cash flows. During the year ended December 31, 2021, 2020 and 2019, our cash flows from operating activities were negative, as cash receipts from customers were insufficient to cover operating costs, payments for long-term maintenance of our rigs, costs incurred for our comprehensive restructuring, and tax payments.

b) Net cash provided by/used in investing activities

Net cash provided by/used in investing activities include purchases and sales of drilling units and equipment, investments in non-consolidated entities and cash receipts from loans granted to related parties.

Net cash provided by investing activities for the year ended December 31, 2021 was comprised primarily of proceeds from disposal of assets, partly offset by capital expenditures.

Net cash used in investing activities for the year ended December 31, 2020 were primarily capital expenditures and a related party loan granted. Along with this there was also a decrease in the cash due to the deconsolidation of the Ship Finance SPVs. This is offset by contingent consideration payments from Seadrill Partners and loan repayments received from our joint venture, Seabras Sapura.

Net cash used in investing activities for the year ended December 31, 2019 were primarily capital expenditures and a capital contribution into the Sonadrill joint venture. This is offset by contingent consideration payments from Seadrill Partners and loan repayments received from our joint venture, Seabras Sapura.

c) Net cash used in financing activities

Net cash used in financing activities include proceeds from the issuance of new equity, proceeds from issuing debt and repayments of debt and payment of debt issuance costs.

Net cash used in financing activities for the year ended December 31, 2021 were nil.

Net cash used in financing activities for the year ended December 31, 2020 were driven by debt repayments and purchase of redeemable non-controlling interest.

Net cash used in financing activities for the year ended December 31, 2019 were driven by redemptions of Senior Secured Notes and debt repayments within our Ship Finance SPVs.

3) Information on our borrowings

An overview of our debt as at the Effective Date, divided into (i) secured credit facilities and (ii) unsecured senior convertible notes, is presented in the table below:

(In $ millions)	**As at the Effective date**	**Maturity date**
Secured credit facilities		
$683 million facility	683	June 2027
$300 million facility (a)	175	December 2026
Total secured credit facilities	**858**	
Unsecured		
$50 million convertible note	50	August 2028
Total debt	**908**	
Capitalized debt issuance costs and fresh start adjustments	—	
Total net debt	**908**	

(a) Under the $300 million facility, Seadrill has access to the $125 million revolving credit facility in addition to the $175 million term loan facility, which was not drawn down at the Effective Date (nor has it been drawn to date).

Prior to consummation of the Reorganization, Seadrill had $5,662 million of senior secured credit facilities. Under the Plan on the Effective Date, these facilities were in part reinstated in the form of the $683 million senior secured credit facility (as further described below), in part equitized through issuance of new shares, and in part settled in cash (specifically in respect to the AOD credit facility).

Secured credit facilities and unsecured convertible note

$300 Million New Money Facility

In February 2022 as part of the Reorganization, Seadrill entered into a $300 million super senior secured credit facility with a syndicate of lenders secured on a first lien basis. The facility has a maturity of December 15, 2026 and consists of a $175 million term loan facility and a $125 million revolving credit facility ("**RCF**"). The term loan facility bears interest at a margin of 7% per annum plus the SOFR (and any applicable credit adjustment spread). The RCF bears interest at a margin of 7% per annum plus the SOFR (and any applicable credit adjustment spread), and a commitment fee of 2.8% per annum is payable in respect to any undrawn portion of the RCF commitment.

$683 Million Reinstated Facility

In February 2022 as part of the Reorganization, Seadrill entered into a senior secured credit facility with a syndicate of lenders to partially reinstate the existing facilities in an aggregate amount of $683 million secured on a second lien basis. The facility bears interest at a total margin of 12.5% per annum plus the SOFR (and any applicable credit adjustment spread), and it has a maturity of June, 15 2027. The above-mentioned margin comprises two components: 5% cash interest; and 7.5% pay-if-you-can ("**PIYC**") interest, whereby Seadrill either pays the PIYC interest in cash or the equivalent amount is capitalized as principal outstanding (dependent on certain conditions set out in the facility agreement).

$50 Million Convertible Note

In February 2022 as part of the Reorganization, the Company issued $50 million of aggregate principal amount of an unsecured senior convertible note to Hemen Holdings Ltd., with a final maturity in August 2028 (the "**Convertible Note**"). The notes bear interest of 6% per annum plus 3-month US LIBOR, which is payable quarterly in cash. The Convertible Note is convertible into the Conversion Shares in an amount equal to 5% of the fully-diluted ordinary shares.

Covenants contained in the Company's debt facilities

Seadrill is subject to certain financial covenants and certain non-financial covenants under our financing documentation, which govern the above-mentioned secured facilities, being the Reinstated Facility and the New Money Facility. These non-financial covenants include, but are not limited to, liens on our drilling units and other assets (such as earnings, company shares and intercompany receivables), certain restrictions on additional indebtedness and investments or acquisitions, and certain restrictions on the payment of dividends. The Convertible Note and the Group's secured Reinstated Facility and New Money Facility include cross-default provisions, whereby, in certain circumstances, a default under one given facility might result in defaults under other facilities.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

We recognize the significant impact that technology is having on our industry and through adopting new technologies, improving connectivity and digitizing the way we operate, we have enhanced processes associated with monitoring and managing our assets. Innovation remains at the heart of our business model - for instance, research and development has enabled us to implement PLATO, an advanced data analytics platform that monitors rig performance. The ability to draw insight from these large data sets helps us to optimize our performance for Customers and ensure care and maintenance of our equipment, without compromising safety.

We focus on technologies that will help us to improve results both financially and operationally. Our previously mentioned PLATO platform has expanded to include drilling performance, condition-based maintenance and monitoring, client data provision services and will soon include environmental monitoring to support our ESG and sustainability initiatives and goals. We continue to drive safety onboard our rigs and within the industry and have invested in the development of a cutting-edge red-zone management tool – Vision IQ which along with our other technologies earned industry recognition and awards in 2020.

D. TREND INFORMATION

The below table show the average oil price over the period 2017 to 2021. The Brent oil price at March 31, 2022 was $108.

	2017	2018	2019	2020	2021
Average Brent oil price ($/bbl)	55	71	64	42	71

Although we saw Brent prices stabilize between 2018-2019, the oil price plummeted in 2020 creating significant uncertainty on the Oil and Gas. In general, production cuts agreed between OPEC and non-OPEC members as well as effective vaccination campaigns have had a positive impact on the industry. Oil demand demonstrated robust recovery in 2021 and, based on various industry forecasts, may achieve the pre-pandemic levels in 2022. However, uncertainty related to the market balance and timing of the demand recovery remains, largely driven by future COVID-19 variants.

The below table shows the global number of rigs on contract and marketed utilization for the year ended December 31, 2021, and for each of the four preceding years.

	2017	2018	2019	2020	2021
Contracted rigs					
Harsh environment jack-up [1]	26	28	32	26	28
Harsh environment floater	30	31	35	25	25
Benign environment floater	120	116	119	107	106
Benign environment jack-up [1]	128	140	171	175	174
Marketed utilization					
Harsh environment jack-up [1]	76 %	85 %	94 %	75 %	80 %
Harsh environment floater	83 %	85 %	87 %	77 %	77 %
Benign environment floater	71 %	73 %	77 %	77 %	80 %
Benign environment jack-up [1]	70 %	75 %	85 %	82 %	81 %

[1] Rigs with water depth greater than 350 feet

Floater

Marketed utilization in 2021 trended above pre-COVID-19 levels driven by improved demand following low levels in 2020. The improved utilization levels has also been supported by the recycling campaigns of drillers, several of whom have completed comprehensive balance sheet restructuring processes, which has gone some way to assist the supply demand imbalance however, continued capital discipline will be critical to the continued recovery of this market. The drillship market is recovering at a faster rate than semi-submersibles with drillship

utilization above 90% at 31 December 2021 compared to 70% for semi-submersible (benign-environment floater figures in the above table include both categories). Consequently we have seen a greater improvement in dayrates for drillships than semi-submersibles.

Jack-up

Marketed utilization in the benign jack-up segment remained consistent through 2021. While incremental demand came to market in 2021 this was balanced out by additional supply that was added to the market consequently there was limited improvement in dayrates. Discipline in adding supply to the market will be critical to improved market trends through 2022.

Harsh Environment

Marketed utilization was consistent year on year in the harsh environment floater segment due to a better supply and demand balance. Harsh environment jack up utilization improved through 2021 closing the year at 85%. However, with limited incremental demand in 2022 improvements in marketed utilization in both segments will be challenging in 2022.

E. CRITICAL ACCOUNTING ESTIMATES

Preparation of our Consolidated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the accompanying disclosures about contingent assets and liabilities. We base these estimates and assumptions on historical experience, available information and assumptions that we believe to be reasonable. Management also needs to exercise judgement in applying the group's accounting policies. Uncertainty about these assumptions, estimates and judgments could result in outcomes that require material adjustments to the carrying amount of assets or liabilities in future periods. We believe that the following are the critical accounting estimates and assumptions used in the preparation of our Consolidated Financial Statements.

Carrying Value of Rig Assets

Generally, the carrying amount of our drilling units including rigs, vessels and related equipment are recorded at historical cost less accumulated depreciation. However, drilling units acquired through a business combination or remeasured through the application of fresh start accounting are measured at fair value as of the date of acquisition or the date of emergence, respectively. Our drilling units are subject to various estimates, assumptions, and judgments related to capitalized costs, useful lives and residual values, and impairments.

Our estimates, assumptions, and judgments reflect both historical experience and expectations regarding future operations, utilization and performance. At December 31, 2021, the carrying amount of our drilling units was $1.8 billion, representing 46% of our total assets.

Useful lives and residual value

The cost of our drilling units less estimated residual value is depreciated on a straight-line basis over their estimated remaining useful lives. The estimated useful life of our semi-submersible drilling rigs, drillships and jack-up rigs, when new, is 30 years.

The useful lives of rigs and related equipment are difficult to estimate due to a variety of factors, including technological advances that impact the methods or cost of oil and gas exploration and development, changes in market or economic conditions and changes in laws or regulations affecting the drilling industry. We re-evaluate the remaining useful lives of our drilling units as and when events occur which may directly impact our assessment of their remaining useful lives. This includes changes in the operating condition or functional capability of our rigs as well as market and economic factors. The use of different estimates, assumptions and judgments in establishing estimated useful lives and residual values could result in significantly different carrying values for our drilling units which could materially affect our results of operations.

Impairment considerations

The carrying values of our long-lived assets are reviewed for impairment when certain triggering events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. Asset impairment evaluations are, by nature, highly subjective. They involve expectations about future cash flows generated by our assets and reflect management's assumptions and judgments regarding future industry conditions and their effect on future utilization levels, dayrates and costs. The use of different estimates and assumptions could result in significantly different carrying values of our assets and could materially affect our results of operations. An impairment loss is recorded in the period in which it is determined that the aggregate carrying amount is not recoverable.

With regard to our older drilling units, which have relatively short remaining estimated useful lives, the results of impairment tests are particularly sensitive to management's assumptions. These assumptions include the likelihood of the unit obtaining a contract upon the expiration of any current contract, and our intention for the drilling unit should no contract be obtained, including warm/cold stacking or scrapping. The use of different assumptions in the future could potentially result in an impairment of older drilling units, which could materially affect our results of operations.

Impairment recognized and methodology

In 2020 there was a significant decrease in the price of oil due to the actions of OPEC and its partners combined with the global impact of the COVID-19 pandemic, with Brent Oil reaching a low of $22 per barrel on March 30, 2020. The impact of these events on the drilling market had an impact on our industry with expected decreases in utilization going forward and downward pressure on dayrates. We therefore concluded that an impairment triggering event had occurred for our drilling unit fleet in the year ended December 31, 2020 and recorded an impairment charge of $4.1 billion.

The crude oil price has increased significantly since December, 2020. After the global impact of this pandemic and with the backdrop of war and other global events, the offshore rig market has experienced a recovery, at least in utilization, in many regions. The price of Brent crude has risen and stabilized at more than $90 over the past several months before increasing to over $100. Additionally, oil companies and rig

owners have mostly managed to navigate through many of the logistical hurdles posed by the COVID-19 pandemic. Drilling programs that had been postponed have now begun or are back on schedule. As a result, the number of contracted rigs has rebounded, and fleet utilization (jack ups, semi-submersibles and drillships) is nearing March 2020 pre-pandemic levels. Dayrates for some rig types in certain regions, such as for US Gulf of Mexico drillships, have risen dramatically. Conversely, dayrates for rigs in other regions have remained stagnant or only risen modestly. As such, we concluded there were no macro-economic indicators of impairment for our overall fleet in the period ended December 31, 2021.

However, changes to our forecast assumptions regarding the future of the *West Hercules*, whereby we expected it to be more likely than not that the rig would be sold or otherwise disposed of significantly before the end of its previously estimated useful life due to the planned amendment to the bareboat charter in Chapter 11, led us to conclude that an impairment triggering event occurred for the rig.

We assessed recoverability of the *West Hercules* by first evaluating the estimated undiscounted future net cash flows based on a number of assumptions, including projected dayrates, utilization of the units, operating costs, maintenance costs, reactivation costs, likelihoods of any required scrapping activity, and applicable tax rates. The *West Hercules* carrying amount was not deemed to be recoverable. Based on a fair value using a discounted cash flow model based on the same inputs as at year-end, the *West Hercules* was impaired by $152 million down to its deemed fair value of $137 million. These assumptions are necessarily subjective and the use of different assumptions could produce results that differ from those reported. These include uncertainties over future demand for services, dayrates, expenses and other market-based future events, and expectations may not be indicative of future outcomes.

Altering the dayrate and other assumptions used in our cash flow forecasts could have led to significantly different estimated fair values. As a result, the assessment as to whether an asset should have been impaired or otherwise was dependent on the timing of assessment and market expectations at that time. As the long-range outcomes are unpredictable due to this volatility, it is not possible to reasonably quantify the impact of changes in the assumptions used in our projected cash flows.

On August 27, 2021, the Bankruptcy Court approved an amendment to the original *West Hercules* bareboat charter, which removed the call options and purchase obligations in the original charter, leading to the arrangement no longer being accounted for a failed sale leaseback and the remaining $137 million rig carrying value being derecognized (along with the remaining $146 million liability to SFL).

We also assessed the recoverability of the *West Linus* at year-end, which was amended to a short-term transition charter subsequent to year-end, in a similar manner to that of the *West Hercules.* The carrying value was deemed to be recoverable.

Fair Value of SeaMex

As described in Note 32 - Business Combinations, on November 2, 2021, NSNCo consolidated SeaMex in a business combination. All assets and liabilities acquired were evaluated as of the acquisition date in accordance with ASC 805 and recorded at their fair value as of that date.

Accounts receivable, net

SeaMex's current expected credit losses (**"CECL"**) model estimates the allowance using a similar “probability-of-default” model to that of Seadrill's. Refer to Current Expected Credit Losses section below. Management has applied a 1% CECL on the receivable balance after specific reserves.

Drilling Units

The fair value of drilling units was estimated through the discounted cash flow (“**DCF**”) approach. The DCF approach derives values of rigs from the cash flows associated with the remaining useful life of the rig. Forecasted revenues used in the DCF model are derived from a "general pool" whereby the rigs will receive a global dayrate assumption and a contract probability factor. All future cash flows are discounted using a weighted average cost of capital (**"WACC"**) range of 11% to 14%. Key assumptions used in the DCF include contracted dayrate and utilization forecasts.

Contracts

Management valued the favorable intangible drilling contracts by comparing the signed contract rates against the expected rates achievable for the rig type in the market, both adjusted for economic utilization and taxes. The gain or loss on the signed contract compared to the market rates were then discounted using an adjusted WACC of 14%.

Uncertain Tax Positions

Seadrill is a Bermuda company that has a number of subsidiaries and affiliates in various jurisdictions. We are not currently required to pay income taxes in Bermuda on ordinary income or capital gains because we qualify as an exempted company. We have received written assurance from the Minister of Finance in Bermuda that we will be exempt from taxation until March 2035. Certain of our subsidiaries operate in other jurisdictions where income taxes are imposed. Consequently, income taxes have been recorded in these jurisdictions when appropriate. Our income tax expense is based on our income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate.

We recognize liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. While we believe we have appropriate support for the positions taken on our tax returns, we regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes.

The determination and evaluation of our annual group income tax provision involves the interpretation of tax laws in the various jurisdictions in which we operate and requires significant judgment and the use of estimates and assumptions regarding significant future events, such as amounts, timing and the character of income, deductions and tax credits. There are certain transactions for which the ultimate tax determination is unclear due to uncertainty in the ordinary course of business. We recognize tax liabilities based on our assessment of whether

our tax positions are more likely than not sustainable, based solely on the technical merits and considerations of the relevant taxing authorities widely understood administrative practices and precedence. Changes in tax laws (such as the recent US tax reform), regulations, agreements, treaties, foreign currency exchange restrictions or our levels of operations or profitability in each jurisdiction may impact our tax liability materially in any given year.

While our annual tax provision is based on the information available to us at the time, a number of years may elapse before the ultimate tax liabilities in certain tax jurisdictions are determined. Current income tax expense reflects an estimate of our income tax liability for the current year, withholding taxes, changes in prior year tax estimates as tax returns are filed or from tax audit adjustments. Our deferred tax expense or benefit represents the change in the balance of deferred tax assets or liabilities as reflected on the balance sheet. Valuation allowances are determined to reduce deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized. To determine the amount of deferred tax assets and liabilities, as well as at the valuation allowances, we must make estimates and certain assumptions regarding future taxable income, including where our drilling units are expected to be deployed, as well as other assumptions related to our future tax position. A change in such estimates and assumptions, along with any changes in tax laws, could require us to adjust the deferred tax assets, liabilities or valuation allowances. In addition, our uncertain tax positions are estimated and presented within other current liabilities, other liabilities, and as reductions to our deferred tax assets within our Consolidated Balance Sheets. For details on our tax position, refer to Note 12 – "Taxation" to the Consolidated Financial Statements included herein.

Current Expected Credit Losses

We adopted accounting standard update 2016-13 effective January 1, 2020. Under this guidance, we are required to record allowances for the expected future credit losses to be incurred on trade and loan receivable balances.

The CECL model contemplates a broader range of information to estimate expected credit losses over the contractual lifetime of an asset. It also requires to consider the risk of loss even if it is remote. We estimate expected credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts of events which may affect the collectability. We estimate the CECL allowance using a "probability-of-default" model, calculated by multiplying the exposure at default by the probability of default by the loss given default by a risk overlay multiplier over the life of the financial instrument (as defined by Accounting Standard Update ("ASU") 2016-13). Our critical assumptions relate to internal credit ratings and maturities used to determine probability of default, the subordination of debt to determine loss given default and the performance status of the receivable that can impact any management overlay. We determine management risk overlay based on management assessment of defaults, overdue amounts and other observable events that provide information on collection. Our internal credit ratings are based on the Moody's scorecard approach (based on several quantitative and qualitative factors) and our approach relies on statistical data from Moody's 'Default and Ratings Analytics' to derive the expected credit loss. We monitor the credit quality of receivables by re-assessing credit ratings, assumed maturities and probability-of-default on a quarterly basis. Due to the inherent uncertainty around these judgmental areas, it is at least reasonably possible that a material change in the CECL allowance can occur in the near term. We grouped financial assets with similar risk characteristics based on their contractual terms, historical credit loss pattern, internal and external credit ratings, maturity, collateral type, past due status and other relevant factors.

The CECL model applies to our external trade receivables, related party receivables (See Note 27 – "Related party transactions" to the Consolidated Financial Statements included herein for details) and other financial assets carried at amortized cost. Our external customers are international oil companies, national oil companies and large independent oil companies. These counterparties mostly have investment grade credit ratings. Historically we incurred very low credit losses and observed no significant past due amounts indicating delinquency of payments. Therefore, we have limited credit risk exposure impact based on our assessment of future, current and past conditions. However, we have established an allowance on our loans and trade receivables due from related parties reflecting their lower credit ratings and overdue balances.

Liabilities Subject to Compromise

While in Chapter 11, we distinguished liabilities from those that are liabilities subject to compromise ("**LSTC**"), being un-/undersecured prepetition liabilities, from those that are not, being fully secured prepetition liabilities and all post-petition liabilities. If there is uncertainty about whether a claim was undersecured, or would be impaired under the Plan of Reorganization, the entire amount of the claim was included within LSTC. Liabilities that were affected by the plan were reported at the amounts expected to be allowed, even if they may be settled for lesser amounts, which inherently requires a degree of estimation.

F. SAFE HARBOR

Forward-looking information discussed in this Item 5 includes assumptions, expectations, projections, intentions and beliefs about future events. These statements are intended as "forward-looking statements." We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. Please see "Cautionary statement regarding forward-looking statements" in this annual report.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

1) Board of Directors

The Board of Directors consists of seven individuals. The names and positions of the Directors as of March 31, 2022 are set out in the table below:

Name	Position
Julie Johnson Robertson	Director and Chair of the Board
Mark McCollum	Director
Karen Dyrskjot Boesen	Director
Jean Cahuzac	Director
Jan Kjaervik	Director
Andrew Schultz	Director
Paul Smith	Director

Certain biographical information about each of our directors is set forth below.

Julie Johnson Robertson is a highly respected leader in the offshore drilling business, and previously one of the highest ranking female chief executives in the energy sector. Ms. Robertson has more than 40 years of experience from various roles in Noble Corporation plc and its predecessor companies, including chair of the board, president and chief executive officer until Ms. Robertson opted to retire at which time she was named executive chairman until her retirement was effective. She holds a Bachelor of Journalism from the University of Texas at Austin and has attended the Advanced Management Program at Harvard Business School. Ms. Robertson is a US citizen and resides in Houston, Texas, US.

Ms. Robertson also currently holds directorships at EDG Resources, Inc (Independent Director), Superior Energy Services (Independent Director) and Spindletop Charities (Nonprofit Board Member).

Mark McCollum has extensive global OFSE experience and is an NYSE financial expert who has chaired three public company audit committees. Mr. McCollum has 17-years of experience in the oil and gas industry, having most recently served as President and CEO of Weatherford International. Mr. McCollum has also held several roles of prominence at Halliburton, including EVP and CFO. Mr. McCollum currently sits on the board of directors for Westlake Chemical Corporation. Mr. McCollum holds a Bachelor of Business Administration from Baylor University, Texas. Mr. McCollum is a US citizen and resides in Houston, Texas, US.
Mr. McCollum also currently holds directorships and senior management positions at McCollum Capital LLC (Partner), Backcast LLC (General Partner), Baylor College of Medicine (Director), Yellowstone Academy (Director), and Baylor St. Luke's Medical Center (Director).

Karen Dyrskjot Boesen has more than 20 years of experience from finance and commercial roles, and more recently general management roles, within the oil & gas industry. Ms. Boesen currently serves as the group CFO at the Sonnedix Group. She has previously held various CFO roles at TotalEnergies. and A.P. Møller-Mærsk. Ms. Boesen holds a Master of Science in Business Administration & Economics from Copenhagen Business School. Ms. Boesen is a Danish citizen and resides in London, England.

Ms. Boesen also currently holds a senior management position at Sonnedix Power Holdings, Ltd. (CFO).

Jean Cahuzac has more than 41 years of experience in the offshore energy service industry. Mr. Cahuzac was until recently the CEO of Subsea 7, and has previously worked for Transocean and Schlumberger in operational and management roles. He currently sits on the audit committee at Subsea 7 and is a member of the board at Bourbon Maritime. Mr. Cahuzac holds a degree in mechanical engineering from Ecole des Mines, St. Etienne, France, and a degree in petroleum engineering from the French Petroleum Institute, Paris, France. Mr. Cahuzac is a French citizen and resides in Paris, France.

Mr. Cahuzac also currently holds directorships and senior management positions at EVOLEN (President), Bourbon Maritime SAS (non-executive director) and Subsea 7 S.A. (non-executive director).

Jan Kjaervik has more than 35 years of experience in financial roles across the banking, energy and maritime sectors. Mr. Kjærvik was most recently Head of Treasury & Risk for A.P. Møller-Mærsk and prior to that he held a similar role at Aker Kværner/Solutions. Mr. Kjærvik currently sits on the board of directors and serves as the Audit Committee Chair for Høegh Autoliners, and has previously held directorships in, inter alia, Mærsk Supply Service, Mærsk Insurance, Danish Ship Finance and Britannia PI. Mr. Kjærvik holds a Masters in Economics (lic. oec.) from the University of St. Gallen, Switzerland. Mr. Kjærvik is a Norwegian citizen and resides in Oslo, Norway.

Andrew Schultz is an experienced turnaround investor and executive, as well as a seasoned director with extensive experience in stressed and distressed situations. Mr. Schultz has experience across many industries, including the offshore drilling sector and the E&P sector. Mr. Schultz serves as board chair for Pacific Drilling and as director for Vanguard Natural Resources, in addition to a total of seven other board positions. Mr. Schultz holds a Juris Doctor degree from Fordham University School of Law, New York. Further, he has attended a doctoral program in economic geography (industrial location theory) and other studies in economics and geography at Clark University, Worcester, Massachusetts. Mr. Schultz is a US citizen and resides in New Canaan, Connecticut, US.

Mr. Schultz also currently holds directorships and senior management positions at Algoma Steel, Inc. (Director and Chairman), Quorum Health, LLC (Director and Chairman), Save A Lot, Inc. (Director and Chairman), M|C Communications Inc. (Chairman), Legacy Cabinets, LLC (Chairman), BBK Worldwide, LLC (Director), NYDJ Apparel, LLC (Chairman and Sole Officer), Innovative Fixture Solutions, LLC (Chairman).

Paul Smith has expertise in capital allocation, capital structure, capital markets, and restructurings across various industries globally, including mining and metals, oil and gas, and steel. Mr. Smith is the founder and principal of Collingwood Capital Partners. Mr. Smith previously worked nine years for Glencore, and has held the position as CFO for Katanga Mining. Mr. Smith currently sits on the board for Trident Royalties. Mr. Smith holds a MA in Modern History from Lincoln College, Oxford University. Mr. Smith is a British citizen and resides in Zug, Switzerland.

Mr. Smith also currently holds directorships and senior management positions at Collingwood Capital Partners AG (Founder & Principal), Trident Royalties Plc (non-executive chairman) and Echion Technologies Limited (non-executive director).

2) Senior Management

Our executive management team consists of the following five employees who are responsible for overseeing the management of our business ("**Management**"). The Board of Directors has organized the provision of management services through Seadrill Management Ltd. ("**Seadrill Management**"), a subsidiary incorporated in the United Kingdom. The Board of Directors has defined the scope and terms of the services to be provided by Seadrill Management. The Board of Directors must be consulted on all matters of material importance and/or of an unusual nature and, for such matters, will provide specific authorization to personnel in Seadrill Management to act on its behalf.

The names of the members of Management as of March 31, 2022, and their respective positions, are presented in the table below:

Name	Age	Position
Simon William Johnson	51	President and Chief Executive Officer
Grant Russel Creed	41	Executive Vice President and Chief Financial Officer
Leif Olaf Nelson	47	Executive Vice President, Chief Operating and Technology Officer
Sandra Faye Redding	45	Executive Vice President, General Counsel and Chief of Staff

Simon William Johnson has worked internationally for the past 25 years for a number of publicly listed offshore drilling contractors, including Diamond Offshore, Seadrill, Noble Corporation and Borr Drilling. His early career saw exposure to various rig and shore-based operational roles for MODUs in South East Asia before migrating to more commercially focused roles including Senior Vice President - Marketing and Contracts at Noble Corporation and Chief Executive Officer of Borr Drilling. Mr. Johnson has demonstrated strengths in strategy development, investor engagement and relationship management. Mr. Johnson has many years of exposure to board engagements and associated corporate governance and compliance issues. He holds a Bachelor of Commerce (Economics & Finance) from Curtin University and has completed the Advanced Management Program at Harvard Business School. Mr. Johnson holds Australian citizenship and resides in the United Kingdom.

Grant Russel Creed serves as the Chief Financial Officer of Seadrill Management. Mr. Creed was appointed as Seadrill's Executive Vice President and Chief Financial Officer in May 2021. Mr. Creed joined the Company in 2013 and has held various positions including Chief Restructuring Officer, VP Mergers & Acquisitions and VP Corporate and Commercial Finance. Prior to joining Seadrill, he held M&A Transaction Services and Audit positions at Deloitte. He is a chartered accountant and holds a Bachelor of Commerce in Accounting from the University of Port Elizabeth, South Africa. Mr. Creed holds dual South African and Australian citizenship and resides in the United Kingdom.

Leif Olaf Nelson has served as Seadrill Management's Executive Vice President and Chief Operating and Technology Officer since May 2021. Mr. Nelson served as Chief Technology Officer from December 2020, and prior to that Chief Operating Officer from July 2015. Mr. Nelson has been with the Company since 2011. He has over 23 years of experience in the drilling industry. Prior to joining Seadrill, Mr. Nelson held various operational positions for Transocean Ltd. Mr. Nelson is a graduate of the Colorado School of Mines and holds a BSc in Petroleum Engineering. Mr. Nelson also sits on the board of the Well Control Institute and Aquadrill LLC. Mr. Nelson is a US citizen and resides in the United Kingdom.

Sandra Faye Redding has served as Seadrill Management's Executive Vice President, General Counsel and Chief of Staff since May 2021, and General Counsel since joining the Group in September 2019. She is the Company Secretary of Seadrill Limited. Mrs. Redding has 20 years in-house legal experience in the oil and gas sector, including most recently serving as General Counsel of the Dubai government owned operator Dragon Oil. Mrs. Redding has previously worked as in-house counsel to Gaz de France (now Engie) and RWE Dea (now INEOS) in the UK North Sea and across their international portfolios. Mrs. Redding holds a B.Com and an LLB (Hons), both from the University of Queensland, and is qualified to practice as a solicitor in England & Wales and in Queensland, Australia. Mrs. Redding is a British, Australian and New Zealand citizen and resides in the United Kingdom.

B. COMPENSATION

1) Directors

During the year ended December 31, 2021 we paid an aggregate $0.8 million in directors' fees to the members of the Board of Directors, serving as members for services towards Seadrill Limited (Predecessor).

2) Senior management

Senior management compensation in the year ended December 31, 2021 includes base salary, allowances, retirement plan contributions and payments arising from the Long-Term Incentive and Retention Plan granted in prior years. In addition, members of management are eligible to participate in benefit programs available in their work locations including medical, life insurance and disability benefits. We believe that the compensation awarded to our management is consistent with that of our peers and similarly situated companies in our industry.

During the year ended December 31, 2021, we paid an aggregate compensation of $7 million, inclusive of retirement benefits, to our senior management.

All of our Executive Committee members have termination related payment clauses in their contracts. These relate to terminations in the context of a "Change of Control Event" or terminations agreed due to "Good Reason" other than "Cause". "Cause" is defined as one of the following: Gross misconduct; Serious breach of Contract; UK criminal offense; Fraud & corrupt practices relating to the Bribery Act 2010 and ineligibility to work legally in the UK. All the above contracts are signed by the current incumbents. Other than the listed termination related payment clauses, no employee, including members of Management, has entered into employment agreements which provide for any special benefits upon termination of employment.

C. BOARD PRACTICES

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company not reserved to the Company's shareholders by the Bye-Laws or Bermuda law.

1) Terms of office

The Bye-Laws provide that the initial Board will consist of seven (7) directors, each of whom will serve a 1 year term until the first AGM (which is to held within 1 month of the anniversary of the Plan Effective Date) .

2) Directors' service contracts

The Directors are entitled to one months' notice of termination of their service agreements.

3) Board committees

On February 23, 2022, our Board of Directors established an Audit and Risk Committee and a Joint Nomination and Remuneration Committee, and may create such other committees as the Board of Directors shall determine from time to time. Each of the committees of our Board of Directors has the composition and responsibilities described below.

i. Audit and Risk committee

The Board of Directors has established an Audit and Risk Committee among the members of the Board of Directors. The Audit and Risk Committee comprises Mark McCollum (Chair), Jan Kjærvik (Committee Member), Jean Cahuzac (Committee Member) and Karen Dyrskjot Boesen (Committee Member). The Audit and Risk Committee is responsible for overseeing the quality and integrity of the Company's Consolidated Financial Statements and its accounting, auditing and financial reporting practices; the Company's compliance with legal and regulatory requirements; the independent auditor's qualifications, independence and performance; and the Company's internal audit function and internal controls. In addition, the Audit and Risk Committee monitors and makes recommendations to the Board of Directors in relation to potential conflicts of interest between the Company and any of its affiliates or related third parties. The Audit and Risk Committee will also evaluate any conflicts of interest between a director and the Company. The Bye-Laws provide that the Audit and Risk Committee shall have all the powers and authority of the Board with respect to all matters set forth in the Audit and Risk Committee charter.

ii. Joint Nomination and Remuneration committee

The Board of Directors has established a Joint Nomination and Remuneration Committee among the members of the Board of Directors. The Joint Nomination and Remuneration Committee comprises of Julie Johnson Robertson (Chair), Andrew Schultz (Committee Member) and Paul Smith (Committee Member). The Joint Nomination and Remuneration Committee is responsible for (i) overseeing and determining the compensation for executive remuneration, (ii) nominating candidates for the election of Directors, (iii) providing recommendations for the Board remuneration and (iv) succession planning. The Bye-Laws provide that the Joint Nomination and Remuneration Committee shall have all the powers and authority of the Board with respect to all matters set forth in the Joint Nomination and Remuneration Committee charter.

D. EMPLOYEES

The table below shows the development in the numbers of employees (including contracted-in staff) at December 31, 2021, 2020 and 2019. Please note that those shown in the "Other" category below, represent employees who provide services for Sonadrill, Aquadrill (formerly Seadrill Partners), and Northern Ocean as well as corporate employees.

Employees (including contracted-in staff)	As at December 31, 2021	As at December 31, 2020	As at December 31, 2019
Operating segments:			
Harsh environment	1,024	1,066	1,037
Floaters	1,269	1,035	1,257
Jack-up rigs	371	294	699
Other	556	780	1,243
Total employees	**3,220**	**3,175**	**4,236**
Geographical location:			
Norway	1,092	1,154	994
North and Central America	405	623	1,071
South America	418	423	300
Rest of Europe	211	224	345
Asia Pacific	55	65	492
Africa and Middle East	1,039	686	1,034
Total employees	**3,220**	**3,175**	**4,236**

Employees of SeaMex (499 total employees as of December 31, 2021), which formed part of Seadrill's consolidated group as of December 31, 2021 but was disposed shortly after the end of the reporting period, are not included in the table above. The movement in numbers between 2021 and 2020 occurred in Africa mainly due to up-manning and preparation for operation of the *West Gemini* and *Quenguela* in Angola.

We employ people in a number of locations globally. In some locations, predominantly Norway and South America, employees and contract labor are represented by collective bargaining agreements ("**CBAs**"). As part of the legal obligations in some of these agreements, we are required to contribute certain amounts to retirement and pension funds. In addition, many of these employees are working under agreements that are subject to salary negotiation, which could result in higher personnel costs, other increased costs or increased operating restrictions that could adversely affect our financial performance. We consider our relationships with the various unions to be stable. The CBAs in place relating to Norway's employees have no set expiry and are reviewed every two years. Separate agreements are in place for the Onshore and Offshore populations. The CBA in place relating to South America's employees was successfully renegotiated in September 2021 and is due to expire in August 2022. Due to a volatile economy and rising inflation costs, market trends suggest that it may be necessary to consider a salary readjustment in the next CBA.

The table below shows the percentage of the labor force covered by a CBAs by geographic location, as at December 31, 2021:

Employees (including contracted-in staff)	Total employees	Employees covered by CBAs	Employees covered by CBAs (%)	CBA cover expiring within 1 year	CBA cover expiring within 1 year (%)
Geographical location:					
Norway	1,092	1,092	100 %	1,092	100 %
South America	418	418	100 %	418	100 %
Other	1,710	—	— %	—	— %
Total	**3,220**	**1,510**	**47 %**	**1,510**	**100 %**

E. SHARE OWNERSHIP

As at March 31, 2022, members of the Board of Directors and members of Management had the following shareholding in the Company.

Name	Position	Number of Common Shares, par value $0.01 each
Julie Johnson Robertson	Director and Chair of the Board	—
Mark McCollum	Director	—
Karen Dyrskjot Boesen	Director	—
Jean Cahuzac	Director	—
Jan Kjaervik	Director	—
Andrew Schultz	Director	—
Paul Smith	Director	—
Simon William Johnson	Management	—
Grant Russel Creed	Management	—
Leif Olaf Nelson	Management	—
Sandra Faye Redding	Management	—

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

We had a total of 100,384,435 issued common shares of the Predecessor Company, prior to our emergence from Chapter 11. The authorized share capital of the Company is $3,750,000 divided into 375,000,000 common shares of par value $0.01 each.

Total common shares issued on emergence and outstanding as of February 22, 2022 is 49,999,998. In addition, $50 million of convertible bonds, with margin of LIBOR + 6% and maturity date of August 2028, were issued to Hemen upon emergence. The convertible bonds are convertible into the Conversion Shares in an amount equal to 5% of the fully-diluted ordinary shares.

The following table presents certain information as of February 22, 2022, regarding the ownership of our common shares with respect to Shareholders who own 5% or more of the Company's issued and outstanding common shares and have an interest in the Company's share capital which is notifiable to the Norwegian Securities Trading Act. As of the date of this annual report, no shareholder, other than those set out in the table below holds more than 5% of the issued and outstanding common shares.

	Common Shares Held	
Shareholder	Number	%
Export Finance Norway	8,829,997	17.660
Deutsche Bank	4,545,928	9.092
Export-Import Bank of Korea	3,811,295	7.623
DNB Bank	3,745,642	7.491
Funds managed by Cairn Capital Limited	3,681,920	7.364
Korea Trade Insurance Corporation	3,589,441	7.179
Nordea Bank	3,291,618	6.583
J.P. Morgan Securities	3,092,545	6.185

Our major shareholders have the same voting rights as our other shareholders. No corporation or foreign government owns more than 50% of our issued and outstanding common shares. We are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of Seadrill.

B. RELATED PARTY TRANSACTIONS

Please see Note 27 - "Related party transactions" to the Consolidated Financial Statements included herein.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

1) Financial Statements

Please see the section of this Annual Report on Form 20-F entitled Item 18 - “Financial Statements”.

2) Legal Proceedings

Please see Note 30 - "Commitments and contingencies" to the Consolidated Financial Statements included herein.

3) Dividends

The payment of any future dividends to shareholders will depend upon decisions that will be at the sole discretion of the Board of Directors and will depend on the then existing conditions, including Seadrill's operating results, financial condition, contractual restrictions, corporate law restrictions, capital requirements, the applicable laws of Bermuda and business prospects.

Pursuant to the Bye-Laws, the Board of Directors may declare cash dividends or distributions. The payment of any future dividends to shareholders will depend upon decisions that will be at the sole discretion of the Board of Directors and will depend on the then existing conditions, including the Company's operating results, financial condition, contractual restrictions, corporate law restrictions, capital requirements, the applicable laws of Bermuda and business prospects. Under Bermuda law, a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of its assets would thereby be less than its liabilities.

Although the Board of Directors may consider the payment of dividends following the Effective Date, there can be no assurance that the Company will pay any dividend, or if declared, the amount of such dividend. The terms of the Reinstated Facility and the New Money Facility may restrict the Company's ability to declare or pay dividends.

Further, as the Company is a holding company with no material assets other than the shares of its subsidiaries through which it conducts its operations, its ability to pay dividends will also depend on the subsidiaries distributing their respective earnings and cash flow to the Company.

Seadrill Limited was incorporated on October 15, 2021 and has not paid any dividends since its incorporation.

B. SIGNIFICANT CHANGES

There have been no significant changes since the date of our Consolidated Financial Statements, other than as described in Note 34 - "Subsequent events" to the Consolidated Financial Statements included herein.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our common shares are trading on Euronext Expand, operated by the OSE, under the trading symbol “SDRL”.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

Trading in our common shares on Euronext Expand commenced on April 28, 2022, under the trading symbol "SDRL". The Company intends, as soon as reasonably practicable after it satisfies the requirements of listing on the main market of the OSE, to seek an uplisting to the main market of the OSE. In addition, subject to meeting the requirements for such a listing, the Company is in the process of applying for listing on the NYSE. In connection with the NYSE listing, if successful, the Company contemplates that it would change its listing status on Euronext Expand or the OSE, as the case may be, to a secondary listing. As at the date of this Report, the Company has not applied for admission to trading of the shares on any other stock exchange, regulated market or a multi trading facility (MTF) other than as set out herein.

D. SELLING SHAREHOLDERS

Not applicable.

E. DILUTION

Not applicable.

F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. **MEMORANDUM OF ASSOCIATION AND BYE-LAWS**

The Bye-Laws are referenced in the exhibits to this annual report on Form 20-F and has been incorporated by reference to Exhibit 3.2 of the amended Registration Statement. Below is a summary of provisions of the Bye-Laws and certain aspects of applicable Bermuda law. The Bye-Laws do not place more stringent conditions for the change of rights of holders than those required by the Bermuda Companies Act.

1) Objects of the Company

The Company is an exempted company limited by shares incorporated under the laws of Bermuda, and is registered with the Bermuda Registrar of Companies with registration number 202100496. The Company was incorporated on October 15, 2021 under the name Seadrill 2021 Limited, and its name was changed to Seadrill Limited on February 22, 2022. The Company's registered office is located at 55 Par La Ville Road, Hamilton, Bermuda HM11. The objects of the Company's business are unrestricted, and the Company has the capacity of a natural person. The Company can therefore carry out any trade or business which, in the Board of Directors' opinion, can be advantageously carried out by the Company. Moreover, this means that the Company's objectives are not specified. The Company can therefore undertake activities without restriction on its capacity.

On February 17, 2022, the then sole shareholder of the Company adopted the current Bye-laws of the Company with effect from February 22, 2022.

2) Board of Directors

i. Proceedings of the Board of Directors

The Bye-Laws provide that, subject to the Bermuda Companies Act, the business of the Company shall be managed and conducted by the Board of Directors. Generally, the Board of Directors may exercise the powers of the Company, except to the extent the Bermuda Companies Act or the Bye-Laws reserve such power to the shareholders. Bermuda law permits individual or corporate directors and there is no requirement in the Bye-Laws or under Bermuda law that directors hold any of the Company's shares. There is also no requirement in the Bye-Laws or under Bermuda law that the Directors must retire at a certain age.

The remuneration of the Directors is determined by the shareholders in a general meeting (based on the non-binding recommendation of the Joint Nomination and Remuneration Committee). The Directors may also be paid all reasonable and documented travel, hotel and incidental expenses properly incurred by them (or, in the case of a director that is a corporation, by their representative or representatives) in attending and returning from meetings of the Board of Directors, meetings of any committee appointed by the Board of Directors or general meetings of the shareholders, or in connection with the Company's business or in discharge of their duties as Directors generally.

No physical meeting of the Board of Directors may take place in Norway or the United Kingdom. For any meeting of the Board of Directors or any board committee held electronically, a majority of the Directors participating in the meeting (including the Chairman) must be physically located outside Norway or the United Kingdom. Any such meeting must be opened in and originate from Bermuda and if all the Directors participating in such meeting are not in the same place, they may decide that the meeting is being deemed as taking place wherever any of them is, but under no circumstances can they decide that the meeting is deemed to have taken place in Norway or the United Kingdom.

Pursuant to the Bye-Laws, a Director who discloses a direct or indirect interest in any contract or proposed contract, transaction or arrangement with the Company, as required by Bermuda law or any applicable law, rules or regulations, is not entitled to vote in respect of any such contract or proposed contract in which he or she is interested. Such Director may, at the discretion of the uninterested Directors present at the meeting, attend, and be counted in the quorum for the relevant meeting at which the contract or proposed contract or arrangement is to be voted on. No such contract or proposed contract, transaction or arrangement will be void or voidable by reason only that such interested Director was counted in the quorum of the relevant meeting or signed a written resolution of the Board in respect thereof to achieve unanimity, and such interested Director shall not be liable to account to the Company for any profit realized thereby.

Subject to the Bye-Laws, a resolution put to vote at a meeting of the Board of Directors will be carried by a majority of the votes cast. No Director (including the chairman of the Board of Directors (if any)) is entitled to a second or casting vote. In the case of an equality of votes, the resolution shall fail.

A Director (including the spouse or children of the Director or any company of which such Director, spouse or children own or control more than 20% of the capital or loan debt) cannot borrow from the Company, (except loans made to Directors who are bona fide employees or former employees pursuant to an employees' share scheme) unless Shareholders holding 90% of the total voting rights have consented to the loan.

ii. Election and removal of Directors

The Bye-Laws provide that, as of the date of the adoption of the Bye-Laws, the Board of Directors shall consist of seven (7) Directors. From the first annual general meeting of the Company, the Company's Board of Directors shall consist of such number of Directors as the Company's shareholders elect or determine at a general meeting, based on the non-binding recommendation of the Joint Nomination and Remuneration Committee.

Only persons who are proposed or nominated in accordance with the Bye-Laws are eligible for election as Directors . Subject to the advance notice requirements set out in the Bye-laws, any shareholder of the Company, the Joint Nomination and Remuneration Committee and the Board may propose or nominate any person for election as a Director.

Any nominee proposal put forth by one or more shareholders of the Company holding at least 10% of the issued and outstanding voting shares of the Company shall be put before the shareholders of the Company for consideration and, if deemed appropriate, for election at the respective general meeting provided that (a) the discretion of the Directors, to be exercised in compliance with their fiduciary duties from time to time, in relation to whether or not support or recommend such nominee proposal to the shareholders of the Company at such general meeting shall not be in any way fettered, restricted or otherwise prejudiced; and (b) such nominee proposal complies with the Bye-Laws.

Where any person, other than a person proposed for re-election or election as a Director by the Joint Nomination and Remuneration Committee or the Board, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. Where a Director is to be elected:

a. at an annual general meeting, such notice must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting or, in the event the annual general meeting is called for a date that is greater than 30 days before or after such anniversary, the notice must be given not later than 10 days following the earlier of the date on which notice of the annual general meeting was posted to shareholders or the date on which public disclosure of the date of the annual general meeting was made;

a. at a special general meeting, such notice must be given not later than 10 days following the earlier of the date on which notice of the special general meeting was posted to Shareholders or the date on which public disclosure of the date of the special general meeting was made; and

b. such notice must comply with the disclosure requirements set out in the Bye-laws.

Where persons are validly proposed for re-election or election as a Director, such Directors shall be elected or re-elected by a majority of votes cast at the relevant general meeting in accordance with the Bye-Laws. At any general meeting the shareholders may authorize the Board to fill any vacancy in their number left unfilled at a general meeting.

Pursuant to the Bye-Laws, provided that a quorum of Directors remains in office, the Board of Directors have the power to appoint any person as a Director to fill a vacancy on the Board of Directors occurring as a result of the removal of a Director in accordance with the Bye-Laws, a Director being prohibited or disqualified from being a Director by any applicable laws, a Director becoming bankrupt, or making any arrangement or composition with his creditors, a Director becoming of unsound mind or death, or a Director resigning his office by notice to the Company. The term of office of any Director appointed by the Board to fill such a vacancy on the Board shall expire at the next annual general meeting.

A Director may resign by providing notice in writing to the Company of such resignation. The shareholders of the Company representing more than 50% of the votes cast at a general meeting of the Company that are entitled to vote for the election of Directors may, at any general meeting convened and held in accordance with the Bye-Laws, remove a Director, provided that the notice of any such general meeting of shareholders convened for the purpose of removing a Director contains a statement of the intention so to do and that it is served on such Director not less than seven (7) days before the meeting. The Director shall be entitled to attend the meeting and be heard on the motion for his or her removal.

The majority of all the Directors shall not be any of the following (i) citizens of the United States; (ii) residents of the United States; or (iii) residents of the United Kingdom.

iii. Duties of Directors

The Bye-Laws provide that the Company's business is to be managed by the Board of Directors. Under Bermuda common law, directors of a Bermuda company owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. This duty includes the following elements:

- a duty to act in good faith in the best interest of the company;
- a duty not to make a personal profit from opportunities that arise from the office of director;
- a duty to avoid conflicts of interest; and
- a duty to exercise powers for the purpose for which such powers were intended.

The Bermuda Companies Act imposes a duty on directors and officers of a Bermuda company to act honestly and in good faith with a view to the best interests of the company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of the company. Directors and officers generally owe fiduciary duties to the company, and not to the company's individual shareholders.

3) Share rights

The holders of our Common Shares have no pre-emptive, redemption, conversion or sinking fund rights. The holders of our common shares are entitled to one vote per share on all matters submitted to a vote to the shareholders. Unless a different majority is required by law or by the Bye-Laws, resolutions to be approved by the holders of shares require approval by a simple majority of votes cast at a meeting at which a quorum is present.

The holders of the our common shares shall, subject to the Bye-Laws, be entitled to such dividends as the Board may from time to time declare in accordance with the Bye-Laws and the Bermuda Companies Act.

In the event of a dissolution or winding up of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, the holders of Shares are entitled to the surplus assets of the Company available for distribution among all Shareholders of Common Shares on a pari passu and pro rata basis.

i. Variation of Share rights

The Bye-Laws provide that, subject to the Bermuda Companies Act, the rights attached to any class of the shares issued, unless otherwise provided for by the terms of issue of the relevant class, may be altered or abrogated either: (i) with the consent in writing of the holders of at least three-fourths of the issued shares of that class or (ii) with the sanction of a resolution passed by at least three-fourths of the issued shares of that class of the votes cast at a general meeting of the relevant class of shareholders at which a quorum consisting of at least two persons holding or representing at least one-third of the issued shares of the relevant class is present. However, if the Company or a class of shareholders only has one shareholder, one shareholder present in person or by proxy shall constitute the necessary quorum, specified in (ii). The Bye-Laws specify that the creation or issue of common shares ranking equally with existing common shares of the Company will not, unless expressly provided by the terms of issue of existing common shares, vary the rights attached to existing common shares.

ii. Voting rights

Under Bermuda law, the voting rights of shareholders are regulated by the Bye-laws, except in certain circumstances provided in the Bermuda Companies Act. At any general meeting, every holder of our common shares present in person and every person holding a valid proxy shall have one vote on a show of hands. On a poll, every such holder of our common shares present in person or by proxy shall have one vote for every share held. Unless a different majority is required by law or by the Bye-Laws, resolutions to be approved by the holders of our common shares require approval by a simple majority of votes cast at a meeting at which a quorum is present.

Except where a greater majority is required by the Bermuda Companies Act or the Bye-Laws, any question proposed for the consideration of the shareholders at a general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of the Bye-Laws. In case of an equality of votes, the chairman of such meeting shall not be entitled to a second or deciding vote and the resolution shall fail.

The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit. The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

4) Amendment of the Memorandum of Association and Bye-Laws

Bermuda law provides that the memorandum of association of a company may be amended in the manner provided for in the Bermuda Companies Act, i.e. by a resolution passed by its Board and resolution at a general meeting of shareholders. Pursuant to the Bye-Laws, no bye-law may be rescinded, altered or amended and no new bye-law may be made, save in accordance with the Bermuda Companies Act, and until the same has been approved by a resolution of the Board of Directors and by a resolution of the Shareholders including the affirmative vote of not less than two-thirds of all votes cast at a general meeting.

Under Bermuda law, the holders of an aggregate of not less than 20% in par value of the Company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Bermuda Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application or by one or more of their numbers as they may appoint in writing for the purpose. No application may be made by shareholders voting in favor of the amendment.

5) Meetings of Shareholders

Under Bermuda law, a company is required to convene at least one general meeting of shareholders in each calendar year (the “annual general meeting”). However, the shareholders of a company may be resolution waive this requirement, either for a specific year or period of time, or indefinitely. When the requirement has been so waived, any shareholder may, on notice to the company, terminate the waiver, in which case an annual general meeting must be called. The annual general meeting of the Company shall be held once in every year at such time and place as the Board of Directors appoints but in no event shall any such annual general meeting be held in Norway or the United Kingdom.

Pursuant to Bermuda law and the Bye-Laws, the Board of Directors may call for a special general meeting whenever they think fit, and the Board of Directors must call for a special general meeting upon the request of shareholders holding not less than 10% of the paid-up capital of the Company carrying the right to vote at general meetings. Bermuda law also requires that shareholders of a company are given at least five (5) days' advance notice of a special general meeting, unless notice is waived. The Bye-Laws provide that the Board of Directors may convene a special general meeting whenever in their judgement such meeting is necessary, but in no event shall any such special general meeting be held in Norway or the United Kingdom.

Under the Bye-Laws, at least ten (10) days' notice of an annual general meeting must be given to each shareholder entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held. At least ten (10) days' notice of a special general meeting must be given to each shareholder entitled to attend and vote thereat, stating the date, place and time and the general nature of the business to be considered at the meeting. No business shall be conducted at any annual general meeting or any a special general meeting except for the business set forth in the notice of such meeting provided to each shareholder of the Company. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (i) in the case of an annual general meeting, by all of the shareholders entitled to attend and vote at such meeting; and (ii) in the case of a special general meeting, by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving the right to attend and vote at such meeting. Pursuant to the Bye-Laws, the quorum required for a general meeting of shareholders is two or more persons present throughout the meeting representing in person or by proxy any issued and outstanding voting shares of the Company.

The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice does not invalidate the proceedings at that meeting.

The Bermuda Companies Act provides that, unless otherwise provided in a company's bye-laws, shareholders may take any action by resolution in writing provided that notice of such resolution is circulated, along with a copy of the resolution, to all shareholders who would be entitled to attend a meeting and vote on the resolution. Such resolution in writing must be signed by the shareholders of the company who, at the date of the notice, represent such majority of votes as would be required if the resolution had been voted on at a meeting of the shareholders. The Bermuda Companies Act provides that the following actions may not be taken by resolution in writing: (1) the removal of the company's auditors and (2) the removal of a director before the expiration of his or her term of office.

The Bye-Laws provide that anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the shareholders may be done by written resolution in accordance with the Bye-Laws.

6) Shareholders' proposals

Under Bermuda law, shareholders may, as set forth below and at their own expense (unless the company otherwise resolves), require the company to: (i) give notice to all shareholders entitled to receive notice of the annual general meeting of any resolution that the shareholders may properly move at the next annual general meeting; and/or (ii) circulate to all shareholders entitled to receive notice of any general meeting a statement (of not more than one thousand words) in respect of any matter referred to in the proposed resolution or any business to be conducted at such general meeting. The number of shareholders necessary for such a requisition is either: (i) any number of shareholders representing not less than 5% of the total voting rights of all shareholders entitled to vote at the meeting to which the requisition relates; or (ii) not less than 100 shareholders.

7) Dividend rights

Under Bermuda law, a company may not declare or pay a dividend or make a distribution out of the contributed surplus, if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realizable value of its assets would thereby be less than its liabilities. Under the Bye-Laws, each common share is entitled to dividends if, and when dividends are declared by the Board of Directors, subject to any preferred dividend right of the holders of any preference shares.

Any cash dividends payable to holders of our shares listed on the Euronext Expand or the OSE will be paid to Computershare, the Company's transfer agent in Norway for disbursement to those holders.

Pursuant to the Bye-Laws, any dividend and/or other moneys payable in respect of a share which has remained unclaimed for six (6) years from the date when it became due for payment shall, if the Board of Directors so resolve, be forfeited and cease to remain owing by the Company.

8) Transfer of Shares

Subject to the Bermuda Companies Act and to any restrictions contained in the Bye-Laws and to the provisions of any applicable United States securities law (including, without limitation, the U.S. Securities Act of 1933, as amended, and the rules promulgated thereunder), the shares of the Company are freely transferable. However, the Bye-Laws provide that the Board of Directors may decline to register, and may require any registrar appointed by the Company to decline to register, a transfer of a share of the Company or any interest therein held through the VPS if such transfer would be likely, in the opinion of the Board of Directors, to result in 50% or more of the issued share capital (or of the votes attaching all issued shares in the Company) being held or owned directly or indirectly by persons resident for tax purposes in Norway. A failure to notify the Company of such correction or change can lead to the shareholder's entitlement to vote, exercise other rights attaching to the shares of the Company or interests therein being sold at the best price reasonably obtainable in all the circumstances. Furthermore, if such holding of 50% or more by individuals or legal persons resident for tax purposes in Norway or connected to a Norwegian business activity, the Bye-Laws require the Board of Directors to make an announcement through Oslo Børs, and the Board of Directors and the registrar appointed by the Company are then entitled to dispose of Shares or interests therein to bring such holding by an individual or legal person resident for tax purposes in Norway or connected to a Norwegian business below 50% - the shares of the Company or interests therein to be sold being firstly those held by holders who failed to comply with the above notification requirement, and thereafter those that were acquired most recently by the shareholders.

Notwithstanding anything else to the contrary in the Bye-Laws, shares that are listed or admitted to trading on an Appointed Stock Exchange (as such is understood under the Bermuda Companies Act) may be transferred in accordance with the rules and regulations of such exchange. All transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of the VPS or any other relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board of Directors in its discretion in accordance with the Bye-Laws.

The Board of Directors may in its absolute discretion refuse to register the transfer of a share that is not fully paid. The Board of Directors may also refuse to recognize an instrument of transfer of a share unless (i) the instrument is duly stamped and lodged with the Company accompanied by the relevant share certificate to which it relates (if one has been issued) and such other evidence of the transferor's right to make the transfer as the Board of Directors may reasonably require, (ii) the instrument of transfer is in respect of only one class of share and/or (iii) all applicable consents, authorizations and permissions of any governmental body or agency in Bermuda (including the Bermuda Monetary Authority) with respect thereto have been obtained. Pursuant to the Bye-Laws, if the Board of Directors is of the opinion that a transfer may breach any law or requirement of any authority or any stock exchange or quotation system upon which any of the Company's common shares are listed (from time to time), then registration of the transfer shall be declined until the Board of Directors receives satisfactory evidence that no such breach would occur. Subject to these restrictions and any other restrictions in the Bye-Laws and to the Bermuda Companies Act and applicable United States laws (including, without limitation, the U.S. Securities Act and related regulations), a holder of Shares may transfer the title to all or any of his Shares by completing an instrument of transfer in the usual common form or in such other form as the Board of Directors may approve. The instrument of transfer must be signed by the transferor and, in the case of a share that is not fully paid, the transferee. The Board of Directors may also implement arrangements in relation to the evidencing of title to and the transfer of uncertified shares.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, the Company is not bound to investigate or see to the execution of any such trust. The Company will take no notice of any trust applicable to any of the Shares, whether or not the Company has been notified of such trust.

9) Disclosure of material interest

The Bye-Laws provide that, where the requirements of the OSE require any person acquiring or disposing of an interest in the Shares to give notification of such change in interest, such person must immediately notify the registrar appointed by the Company of the acquisition or disposal and of its resulting interest, following which, the registrar appointed by the Company will notify the OSE. If a person fails to provide such notification, the Board of Directors shall require the registrar appointed by the Company to serve the person with notice, requiring compliance with the notification requirements and inform him or her that pending such compliance the registered holder of the Shares shall have suspended its entitlement to vote, exercise other rights attaching to the Shares and receive payment of income or capital.

10) Amalgamations and mergers

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. Pursuant to Bermuda law, unless the bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company. The Bye-Laws provide that any such amalgamation or merger must be approved by the affirmative vote of at least (i) a majority of the votes cast at a general meeting of the Company at which the quorum shall be two or more shareholders throughout the meeting and representing in person or by proxy in excess of 25% of the total voting rights of all issued and outstanding shares of the Company.

Under Bermuda law, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favor of the amalgamation or merger and who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the relevant general meeting of shareholders, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

11) Shareholder suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal, or would result in the violation of the company's memorandum of association or Bye-Laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

The Bye-Laws contain a provision by virtue of which the Shareholders waive any claim or right of action that they might have, whether individually or by or in the right of the Company, against any Director or officer of the Company in relation to any action or failure to take action by such director or officer in the performance of his duties with or for the Company or any subsidiary thereof, except in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or officer of the Company.

12) Capitalization of profits and reserves

Pursuant to the Bye-Laws, the Board of Directors may (i) capitalize any amount for the time being standing to the credit of the Company's share premium or other reserve accounts or any amount credited to the Company's profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the shareholders; or (ii) capitalize any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in full, partly paid or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

13) Access to books and records and dissemination of information

Members of the general public have the right to inspect the public documents of a company available at the office of the Bermuda Registrar of Companies. These documents include the Company's memorandum of association (including its objects and powers) and certain alterations to the Company's memorandum of association. The members of the Company have the additional right to inspect the Bye-Laws, minutes of general meetings and the Company's audited financial statements (unless such requirement is waived in accordance with the Bye-Laws and the Bermuda Companies Act), which must be presented to the annual general meeting. The register of members of the Company is also open to inspection by Shareholders and by members of the general public without charge. Except when the register of members is closed under the provisions of the Bermuda Companies Act, the register of members of a company shall during business hours (subject to such reasonable restrictions as the company may impose so that not less than two hours in each day be allowed for inspection) be open for inspection by members of the general public without charge. A company may on giving notice by advertisement in an appointed newspaper close the register of members for any time or times not exceeding in the whole thirty days in a year.

Subject to the provisions of the Bermuda Companies Act, a company is required to maintain its register of members in Bermuda. A company with its shares listed on an Appointed Stock Exchange or which has had its shares offered to the public pursuant to a prospectus filed in accordance with the Bermuda Companies Act, or which is subject to the rules or regulations of a competent regulatory authority, may keep in any place outside Bermuda, one or more branch registers after giving written notice to the Bermuda Registrar of Companies of the place where each such register is to be kept. Any branch register of members established by the aforementioned is subject to the same rights of inspection as the register of members of the company in Bermuda. Any member of the public may require a copy of the register of members or any part thereof which must be provided within 14 days of a request on payment of the appropriate fee prescribed in the Bermuda Companies Act.

A company is required to keep a register of directors and officers at its registered office and such register must during business hours (subject to such reasonable restrictions as the company may impose, so that not less than two hours in each day be allowed for inspection) be open for inspection by members of the public without charge. Any member of the public may require a copy of the register of directors and officers, or any part of it, on payment of the appropriate fee prescribed in the Bermuda Companies Act. A company is also required to file with the Bermuda Registrar of Companies a list of its directors to be maintained on a register, which register will be available for public inspection subject to such conditions as the Bermuda Registrar of Companies may impose and on payment of such fee as may be prescribed.

Where a company, the shares of which are listed on an Appointed Stock Exchange, sends its summarized financial statements to its members pursuant to section 87A of the Bermuda Companies Act, a copy of the full financial statements (as well as the summarized financial statements) must be made available for inspection by the public at the company's registered office. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

Under the Bye-Laws, all shareholders who hold at least 5% of the issued and outstanding voting shares of the Company shall be entitled to receive, upon written request to the Company and, to the extent not already filed by the Company with the Securities Exchange Commission or already made available pursuant to any applicable laws or rules of any relevant exchange: (i) audited consolidated annual financial statements, (ii) unaudited consolidated quarterly financial statements, (iii) unaudited semi-annual Company briefing, (iv) such information and/or documents which are provided to the lenders under the Company’s senior credit facility from time to time (which as of the date hereof is the New First Lien Facility), subject to the relevant shareholders entering into customary confidentiality arrangements and any requirements of any applicable law, and (v) any further information and/or documents which is reasonably required by such Members for regulatory and compliance purposes, subject to customary exemptions which shall include confidentiality, data protection restrictions and any requirements of any applicable laws.

In addition, under the Bye-Laws, all shareholders who (i) 7% or more of the issued and outstanding voting shares of the Company as at the Plan Effective Date; or (ii) 10% or more of the issued and outstanding voting shares of the Company at any time after the Plan Effective Date shall be entitled to receive upon written request to the Company a summary of all material information provided to the Board, on the terms set out in the Bye-Laws, provided that the Company is satisfied that each such shareholder (1) is subject to appropriate confidentiality arrangements; (2) is restricted from dealing in the Company’s equity securities in accordance with “insider dealing” laws and regulations pursuant to applicable laws; (3) will not have any “cleansing rights” to require the Company to publicly disclose relevant information; and (4) may receive the information pursuant to applicable laws.

14) Winding-up

A company may be wound up by the Bermuda court on application presented by the company itself, its creditors (including contingent or prospective creditors) or its contributories. The Bermuda court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Bermuda court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or the event occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof.

Where, on a voluntary winding up, a majority of directors make a statutory declaration of solvency, the winding up will be deemed a "members' voluntary winding up". In any case where such declaration has not been made, the winding up will be deemed a "creditors' voluntary winding up".

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators within the period prescribed by the Bermuda Companies Act for the purpose of winding up the affairs of the company and distributing its assets. If the liquidator is at any time of the opinion that the company will not be able to pay its debts in full in the period stated in the directors' declaration of solvency, he is obliged to summon a meeting of creditors and lay before the meeting a statement of the assets and liabilities of the company.

As soon as the affairs of the company are fully wound up via a members' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account, and giving any explanation thereof. This final general meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the meeting the liquidator shall notify the Bermuda Registrar of Companies that the company has been dissolved and the Registrar shall record that fact in accordance with the Bermuda Companies Act.

In the case of a creditors' voluntary winding up of a company, the company must call a meeting of the creditors of the company to be summoned for the day, or the next day following the day, on which the meeting of the members at which the resolution for voluntary winding up is to be proposed is held. Notice of such meeting of creditors must be sent at the same time as notice is sent to members. In addition, the company must cause a notice to appear in an appointed newspaper on at least two occasions.

The creditors and the members at their respective meetings may nominate a person to be liquidator for the purposes of winding up the affairs of the company and distributing the assets of the company, provided that if the creditors and the members nominate different persons, the person nominated by the creditors shall be the liquidator. If no person is nominated by the creditors, the person (if any) nominated by the members shall be liquidator. The creditors at the creditors' meeting may also appoint a committee of inspection consisting of not more than five persons.

If a creditors' voluntary winding up continues for more than one year, the liquidator is required to summon a general meeting of the company and a meeting of the creditors at the end of each year and must lay before such meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year.

As soon as the affairs of the company are fully wound up via a creditors' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company and a meeting of the creditors for the purposes of laying the account before the meetings, and giving any explanation thereof. Each such meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the date of the meetings, or if the meetings are not held on the same date, after the date of the later meeting, the liquidator is required to send to the Bermuda Registrar of Companies a copy of the account and make a return to him in accordance with the Bermuda Companies Act. The company will be deemed to be dissolved on the expiration of three months from the registration by the Bermuda Registrar of Companies of the account and the return. However, a Bermuda court may, on the application of the liquidator or of some other person who appears to the court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the court thinks fit.

15) Indemnification of Directors and officers

Section 98 of the Bermuda Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Bermuda Companies Act.

The Company has adopted provisions in the Bye-Laws that provide that the Company shall indemnify its officers (which includes any person appointed to any committee by the Board of Directors) and directors of their actions and omissions to the fullest extent permitted by Bermuda law. The Bye-Laws provide that the Shareholders shall waive all claims or rights of action that they might have, individually or in right of the Company, against any of the Company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Bermuda Companies Act permits the Company to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not the Company may otherwise indemnify such officer or director. We have purchased and maintain a directors' and officers' liability policy for such a purpose.

16) Certain provisions of Bermuda law

i. Exchange Control

The Company has been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. This designation allows the Company to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on its ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to United States residents who are holders of its common shares. The Bermuda Monetary Authority has given its consent for the issue and free transferability of all its common shares from and/or to non-residents and residents of Bermuda for exchange control purposes, provided its shares remain listed on an Appointed Stock Exchange, which includes the OSE and the New York Stock Exchange. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to the Company's performance or creditworthiness. Accordingly, in giving such consent or permissions, the Bermuda Monetary Authority shall not be liable for the financial soundness, performance or default of the Company's business or for the correctness of any opinions or statements expressed in this report. Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority.

ii. Compulsory acquisition of shares held by minority Shareholders

An acquiring party is generally able to acquire compulsorily the common shares of a minority shareholder of a Bermuda company in the following ways:

a. By procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Bermuda Registrar of Companies, all holders of common shares could be compelled to sell their common shares under the terms of the scheme of arrangement.

b. If the acquiring party is a company it may compulsorily acquire all the shares of the target company, by acquiring pursuant to a tender offer 90% of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (the offeror), or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, required by notice any non-tendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

c. Where the acquiring party or parties hold not less than 95% of the shares or class of shares of the company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

iii. Economic Substance

Pursuant to the Economic Substance Act 2018 (as amended) of Bermuda (the "ES Act") that came into force on 1 January 2019, a registered entity other than an entity which is resident for tax purposes in certain jurisdictions outside Bermuda that carries on as a business any one or more of the "relevant activities" referred to in the ES Act must comply with economic substance requirements. The ES Act may require in-scope Bermuda entities which are engaged in such "relevant activities" to be directed and managed in Bermuda, have an adequate level of qualified employees in Bermuda, incur an adequate level of annual expenditure in Bermuda, maintain physical offices and premises in Bermuda or perform core income-generating activities in Bermuda. The list of "relevant activities" includes carrying on any one or more of: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service center, intellectual property and holding entities. The ES Act could affect the manner in which the Company operates its business, which could adversely affect the Company’s business, financial condition and results of operations.

C. MATERIAL CONTRACTS

Attached as exhibits to this annual report are the contracts we consider to be both material and not in the ordinary course of business. Other than these contracts, we have no material contracts other than those entered in the ordinary course of business.

D. EXCHANGE CONTROLS

We have been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. This designation allows us to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of our common shares.

The Bermuda Monetary Authority has given its consent for the issue and free transferability of the Shares to and between residents and non-residents of Bermuda for exchange control purposes provided that the Shares are listed on Euronext Expand, the OSE and/or the NYSE. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to the Company's performance or its creditworthiness. Accordingly, in giving such consent or permissions, the Bermuda Monetary Authority shall not be liable for the financial soundness, performance or default of the Company's business or for the correctness of any opinions or statements expressed in this Prospectus. Certain issues and transfers of Shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority.

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or by our shareholders in respect of our shares. We have obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035, be applicable to us or to any of our operations or to our shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by us in respect of real property owned or leased by us in Bermuda.

E. TAXATION

The following is a discussion of the material Bermuda, United States federal income and other tax considerations with respect to us and holders of common shares. This discussion does not purport to deal with the tax consequences of owning common shares to all categories of investors, some of which, such as dealers in securities, investors whose functional currency is not the U.S. dollar and investors that own, actually or under applicable constructive ownership rules, 10% or more of our common shares, may be subject to special rules. This discussion deals only with holders who hold the common shares as a capital asset, generally for investment purposes. Shareholders are encouraged to consult their own tax advisors concerning the overall tax consequences arising in their own particular situation under United States federal, state, local or foreign law of the ownership of common shares.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds common shares, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding the common shares are encouraged to consult their own tax advisers.

Bermuda and Other Non-U.S. Tax Considerations

As at the date of this annual report, whilst Seadrill is resident in Bermuda, we are not subject to taxation under the laws of Bermuda. Distributions we receive from our subsidiaries also are not subject to any Bermuda tax. As at the date of this annual report, there is no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, or estate duty or inheritance tax payable by non-residents of Bermuda in respect of capital gains realized on a disposition of our common shares or in respect of distributions they receive from us with respect to our common shares. This discussion does not, however, apply to the taxation of persons ordinarily resident in Bermuda. Bermuda shareholders should consult their own tax advisors regarding possible Bermuda taxes with respect to dispositions of, and distributions on, our common shares.

We have received from the Minister of Finance under The Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, the imposition of any such tax shall not be applicable to us or to any of our operations or shares, debentures or other obligations, until March 31, 2035. This assurance is subject to the provision that it is not to be construed to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967. The assurance does not exempt us from paying import duty on goods imported into Bermuda. In addition, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government. We and our subsidiaries incorporated in Bermuda pay annual government fees to the Bermuda government.

Bermuda currently has no tax treaties in place with other countries in relation to double-taxation or for the withholding of tax for foreign tax authorities.

Dividends distributed by Seadrill Limited out of Bermuda

Currently, there is no withholding tax payable in Bermuda on dividends distributed from Seadrill Limited to its shareholders.

Taxation of rig owning entities

A number of our drilling rigs are owned in tax-free jurisdictions such as Bermuda or Liberia. There is no taxation of the rig owners' income in these jurisdictions. The remaining drilling rigs are owned in jurisdictions with income or tonnage taxation of the rig owners' income, being Hungary, Norway and Singapore. There may also be income tax in certain other jurisdictions where rigs are owned by, or allocated to, local branches.

Please also see the section below entitled "Taxation in country of drilling operations."

Taxation in country of drilling operations

Income derived from drilling operations is generally taxed in the country where these operations take place. The taxation of income derived from drilling operations could be based on net income, deemed income, withholding taxes and/or other bases, depending upon the applicable tax legislation in each country of operation. Some countries levy withholding taxes on bareboat charter payments (internal rig rent), branch profits, crew, dividends, interest and management fees.

Drilling operations can be carried out by locally incorporated companies, foreign branches of operating companies or foreign branches of the rig owning entities. We elect the appropriate structure with due regard to the applicable legislation of each country where the drilling operations occur.

Taxation may also extend to the rig owning entity in some of the countries where the drilling operations are performed. Some countries have introduced new laws and rules since the commencement of certain drilling contracts, which may affect, or have affected, the position of the group, potentially leading to additional tax on rig owners. The group considers the applicability of these to individual companies and contracts based on the relevant facts and circumstances.

In March 2020, the U.S. enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which grants taxpayers a five-year carryback period for net operating losses arising in tax years beginning after December 31, 2017 and before January 1, 2021. See Note 12 – "Taxation" to the Consolidated Financial Statements included herein for further details of the impact for 2020.

Net income

Net income corresponds to gross income derived from the drilling operations less tax-deductible costs (i.e. operating costs, crew, insurance, management fees and capital costs (internal bareboat fee; tax depreciation; interest costs) incurred in relation to those operations). In addition to net income tax, withholding tax on branch profits, dividends, internal bareboat fees, among other items, may also be levied.

Net income taxation for an international drilling contractor is complex, and pricing of internal transactions (e.g. rig sales; bareboat fees; services) will allocate overall taxable income between the relevant countries. We apply Organization for Economic Cooperation and Development, or OECD, Transfer Pricing Guidelines as a basis to arrive at pricing for internal transactions. OECD Transfer Pricing Guidelines describe various methods to price internal services on terms believed by us to be no less favorable than are available from unaffiliated third parties. However, some tax authorities could disagree with our transfer pricing methods and disputes may arise regarding the correct pricing.

Deemed income tax

Deemed income tax is normally calculated based on gross turnover, which can include or exclude reimbursables and often reflects an assumed profit ratio, multiplied by the applicable corporate tax rate. Some countries will also levy withholding taxes on the distribution of dividend and/or branch profits at the deemed tax rate.

Withholding and other taxes

Some countries base their taxation solely on withholding tax on gross turnover. In addition, some countries levy stamp duties, training taxes or similar taxes on the gross turnover.

Customs duties

Customs duties are generally payable on the importation of drilling rigs, equipment and spare parts into the country of operation, although several countries provide exemption from such duties for the temporary importation of drilling rigs. Such exemption may also apply to the temporary importation of equipment.

Taxation of other income

Other income related to crewing, management fees and technical services will generally be taxed in the country where the service provider is resident, although withholding tax and/or income tax may also be imposed in the country where the drilling operations take place. Dividends and other investment income will be taxable in accordance with the legislation of the country where the company holding the investment is resident. For companies resident in Bermuda, there is currently no tax on these types of income.

Some countries levy withholding taxes on outbound dividends and interest payments.

Capital gains taxation

In respect of drilling rigs located in Bermuda, Liberia, Singapore and Hungary, no capital gains tax is payable in these countries upon the sale or disposition of a rig. However, some countries may impose a capital gains tax or a claw-back of tax depreciation (on a full or partial basis) upon the sale of a rig during or attributable to such time as the rig is operating within such country, or within a certain time after completion of such drilling operations, or when the rig is exported after completion of such drilling operations.

Other taxes

Our operations may be subject to sales taxes, value added taxes, or other similar taxes in various countries.

Taxation of shareholders

Taxation of shareholders will depend upon the jurisdiction where the shareholder is a tax resident. Shareholders should seek advice from their tax adviser to determine the taxation to which they may be subject based on the shareholder's circumstances.

United States Federal Income Tax Considerations

The following are the material United States federal income tax consequences to us of our activities and to U.S. Holders and Non-U.S. Holders, each as defined below, of the ownership of our common shares. This discussion does not purport to deal with the tax consequences of owning common shares to all categories of investors, some of which, such as dealers in securities, banks, financial institutions, tax-exempt entities, insurance companies, pension funds, US expatriates, real estate investment trusts, regulated investment companies, investors holding common shares as part of a straddle, hedging or conversion transaction, investors subject to the alternative minimum tax, investors who acquired their common shares pursuant to the exercise of employee stock options or otherwise as compensation, investors whose functional currency is not the U.S. dollar and investors that own, actually or under applicable constructive ownership rules, 10% or more of our common shares, may be subject to special rules. The following discussion of United States federal income tax matters is based on the United States Internal Revenue Code of 1986, as amended, or the Code, judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the United States Department of the Treasury, or the Treasury Regulations, all of which are subject to change, possibly with retroactive effect. The discussion below is based, in part, on the description of our business in this annual report and assumes that we conduct our business as described.

United States Federal Income Taxation of U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of common shares that is (1) a U.S. citizen or resident for U.S. federal income tax purposes, (2) U.S. corporation or other U.S. entity taxable as a corporation, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (4) a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

If an entity or arrangement treated as a partnership holds our common shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common shares, you are encouraged to consult your tax adviser.

Distributions

Subject to the discussion of PFICs below, any distributions made by us with respect to our common shares to a U.S. Holder will generally constitute dividends, which may be taxable as ordinary income or "qualified dividend income" as described in more detail below, to the extent of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in his common shares on a dollar-for-dollar basis and thereafter as capital gain. Because we are not a United States corporation, U.S. Holders that are corporations will not be entitled to claim a dividend received deduction with respect to any distributions they receive from us. Dividends paid with respect to our Shares will generally be treated as "passive category income" or, in the case of certain types of U.S. Holders, "general category income" for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes.

Dividends paid on our common shares to a U.S. Holder who is an individual, trust or estate, or a "U.S. Individual Holder" will generally be treated as "qualified dividend income" that is taxable to such U.S. Individual Holders at preferential tax rates provided that 1) the common shares are readily tradable on an established securities market in the United States or on a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located (such as the OSE, on which our common shares are also traded); 2) we are not a PFIC for the taxable year in which the dividend is paid or the immediately preceding taxable year (which, as discussed below, we are not and do not anticipate being in the future); 3) the U.S. Individual Holder has owned the common shares for more than 60 days in the 121-day period beginning 60 days before the date on which the common shares become ex-dividend; and 4) the U.S. Individual Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. There is no assurance that any dividends paid on our common shares will be eligible for these preferential rates in the hands of a U.S. Individual Holder. Any dividends paid by us which are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Individual Holder.

Special rules may apply to any "extraordinary dividend," generally, a dividend paid by us in an amount which is equal to or in excess of 10% of a shareholder's adjusted tax basis (or fair market value in certain circumstances) in a share of common shares. If we pay an "extraordinary dividend" on our common shares that is treated as "qualified dividend income," then any loss derived by a U.S. Individual Holder from the sale or exchange of such common shares will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or other Taxable Disposition of Common Shares

Assuming we do not constitute a PFIC for any taxable year, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other taxable disposition of our common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other taxable disposition and the U.S. Holder's tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as United States source income or loss, as applicable, for United States foreign tax credit purposes. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

3.8% Tax on Net Investment Income

Certain U.S. Holders, including individuals, estates, or, in certain cases, trusts, will generally be subject to a 3.8% tax on the lesser of (1) the U.S. Holder's net investment income for the taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between $125,000 and $250,000). A U.S. Holder's net investment income will generally include distributions made by us which constitute a dividend for U.S. federal income tax purposes and gain realized from the sale, exchange or other taxable disposition of our common shares. This tax is in addition to any income taxes due on such investment income.

If you are a U.S. Holder that is an individual, estate or trust, you are encouraged to consult your tax advisors regarding the applicability of the 3.8% tax on net investment income to the ownership and disposition of our common shares.

Passive Foreign Investment Company Status and Significant Tax Consequences

Special United States federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a PFIC for United States federal income tax purposes. In general, a foreign corporation will be treated as a PFIC with respect to a United States shareholder, if, for any taxable year in which such shareholder holds stock in such foreign corporation, either:

- at least 75% of the corporation's gross income for such taxable year consists of passive income (e.g. dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- at least 50% of the average value of the assets held by the corporation during such taxable year produce, or are held for the production of, passive income.

For purposes of determining whether a foreign corporation is a PFIC, it will be treated as earning and owning its proportionate share of the income and assets, respectively, of any of its subsidiary corporations in which it owns, directly or indirectly, at least 25% of the value of the subsidiary's stock.

Income earned by a foreign corporation in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless the foreign corporation is treated under specific rules as deriving its rental income in the active conduct of a trade or business or is received from a related party.

Based on the current and anticipated valuation of our assets, including goodwill, and composition of our income and assets, we intend to take the position that we will not be treated as a PFIC for U.S. federal income tax purposes for our current taxable year or in the foreseeable future. Our position is based on valuations and projections regarding our assets and income. While we believe these valuations and projections to be accurate, such valuations and projections may not continue to be accurate. Moreover, as we have not sought a ruling from the Internal Revenue Service, or IRS, on this matter, the IRS or a court could disagree with our position. In addition, although we intend to conduct our

affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, the nature of our operations may change in the future, and if so, we may not be able to avoid PFIC status in the future.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different United States federal income taxation rules depending on whether the U.S. Holder makes an election to treat us as a "Qualified Electing Fund," which election we refer to as a "QEF election." As an alternative to making a QEF election, a U.S. Holder should be able to make a "mark-to-market" election with respect to our common shares, as discussed below. In addition, if we were to be treated as a PFIC for any taxable year a U.S. Holder would be required to file an annual report with the United States Internal Revenue Service, or the IRS, for that year with respect to such U.S. Holder's common shares.

Taxation of U.S. Holders Making a Timely QEF Election

If a U.S. Holder makes a timely QEF election, which U.S. Holder we refer to as an "Electing Holder," the Electing Holder must report each year for United States federal income tax purposes his pro rata share of our ordinary earnings and our net capital gain, if any, for our taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from us by the Electing Holder. The Electing Holder's adjusted tax basis in the common shares would be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed would result in a corresponding reduction in the adjusted tax basis in the common shares and would not be taxed again once distributed. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our common shares. A U.S. Holder would make a QEF election with respect to any taxable year during which we are a PFIC by filing a valid IRS Form 8621 with his United States federal income tax return. If we were aware that we or any of our subsidiaries were to be treated as a PFIC for any taxable year, we would, if possible, provide each U.S. Holder with all necessary information in order to make the QEF election described above. If we were to be treated as a PFIC, a U.S. Holder would be treated as owning his proportionate share of stock in each of our subsidiaries which is treated as a PFIC and a separate QEF election would be necessary with respect to each subsidiary. It should be noted that we may not be able to provide such information if we did not become aware of our status as a PFIC in a timely manner.

Taxation of U.S. Holders Making a "Mark-to-Market" Election

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we anticipate, our stock is treated as "marketable stock," a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our common shares, provided the U.S. Holder completes and files a valid IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. The "mark-to-market" election will not be available for any of our subsidiaries. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the common shares at the end of the taxable year over such holder's adjusted tax basis in the common shares. The U.S. Holder would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the common shares over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's tax basis in his common shares would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our common shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included as ordinary income by the U.S. Holder. It should be noted that the mark-to-market election would likely not be available for any of our subsidiaries which are treated as PFICs.

Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election

Finally, if we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a QEF election or a "mark-to-market" election for that year, whom we refer to as a "Non-Electing Holder," would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on our common shares in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common shares), and (2) any gain realized on the sale, exchange or other disposition of our common shares. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holders' aggregate holding period for the common shares;
- the amount allocated to the current taxable year and any taxable year before we became a PFIC would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These penalties would not apply to a pension or profit-sharing trust or other tax-exempt organization that did not borrow funds or otherwise utilize leverage in connection with its acquisition of our common shares. If a Non-Electing Holder, who is an individual, dies while owning our common shares, such Non-Electing Holder's successor generally would not receive a step-up in tax basis with respect to such common shares.

United States Federal Income Taxation of "Non-U.S. Holders"

A beneficial owner of our common shares that is not a U.S. Holder or partnership is referred to herein as a "Non-U.S. Holder."

Dividends on Common Shares

Non-U.S. Holders generally will not be subject to United States federal income tax or withholding tax on dividends received from us with respect to our common shares, unless that income is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. If the Non-U.S. Holder is entitled to the benefits of a United States income tax treaty with respect to those dividends, that

income is subject to United States federal income tax only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States.

Sale, Exchange or Other Disposition of Common Shares

Non-U.S. Holders generally will not be subject to United States federal income tax or withholding tax on any gain realized upon the sale, exchange or other taxable disposition of our common shares, unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. If the Non-U.S. Holder is entitled to the benefits of a United States income tax treaty with respect to that gain, that gain is subject to United States Federal Income tax only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States; or
- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

If a Non-U.S. Holder is engaged in a United States trade or business for United States federal income tax purposes, the income from the common shares, including dividends and the gain from the sale, exchange or other taxable disposition of the common shares that is effectively connected with the conduct of that United States trade or business will generally be subject to United States federal income tax in the same manner as discussed in the previous section relating to the United States federal income taxation of U.S. Holders. In addition, if the Non-U.S. Holder is a corporation, the Non-U.S. Holder's earnings and profits that are attributable to the effectively connected income, subject to certain adjustments, may be subject to an additional United States federal branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable United States income tax treaty.

Backup Withholding and Information Reporting

In general, dividend payments, and other taxable distributions, made by us to you within the United States will be subject to information reporting requirements. Such payments will also be subject to backup withholding if paid to a U.S. Individual Holder who:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that he has failed to report all interest or dividends required to be shown on his United States federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on an applicable IRS Form W-8.

If a Non-U.S. Holder sells his common shares to or through a United States office of a broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless the Non-U.S. Holder certifies that he is a non-United States person, under penalties of perjury, or otherwise establishes an exemption. If a Non-U.S. Holder sells his common shares through a non-United States office of a non-United States broker and the sales proceeds are paid to the Non-U.S. Holder outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made to a Non-U.S. Holder outside the United States, if the Non-U.S. Holder sells his common shares through a non-United States office of a broker that is a United States person or has some other connection to the United States.

Backup withholding is not an additional tax. Rather, a taxpayer generally may obtain a refund of any amounts withheld under backup withholding rules that exceed the taxpayer's United States federal income tax liability by properly filing a refund claim with the IRS.

Individuals who are U.S. Holders (and to the extent specified in the applicable Treasury Regulations, certain individuals who are non-U.S. Holders and certain U.S. entities) who hold "specified foreign financial assets" (as defined in section 6038D of the Code and the applicable Treasury Regulations) are required to file IRS Form 8938 (Statement of Specified Foreign Financial Assets) with information relating to each such asset for each taxable year in which the aggregate value of all such assets exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year. Specified foreign financial assets would include, among other assets, our common shares, unless the common shares were held through an account maintained with certain financial institutions. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, the statute of limitations on the assessment and collection of U.S. federal income tax with respect to a taxable year for which the filing of IRS Form 8938 is required may not close until three years after the date on which IRS Form 8938 is filed. U.S. Holders and Non-U.S. Holders are encouraged to consult their own tax advisers regarding their reporting obligations under section 6038D of the Code.

Other Tax Considerations

In addition to the tax consequences discussed above, we may be subject to tax in one or more other jurisdictions where we conduct activities. The amount of any such tax imposed upon our operations may be material.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file or furnish reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. We are required to make certain filings with the SEC. The SEC maintains an internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that site is www.sec.gov.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to several market risks, including credit risk, foreign currency risk and interest rate risk. Our policy is to reduce our exposure to these risks, where possible, within boundaries deemed appropriate by our management team. This may include the use of derivative instruments.

Credit risk

We have financial assets, including cash and cash equivalents, related party receivables, other receivables and certain amounts receivable on derivative instruments. These assets expose us to credit risk arising from possible default by the counterparty. Most of the counterparties are creditworthy financial institutions or large oil and gas companies. We do not expect any significant loss to result from non-performance by such counterparties. However, we have established an allowance on our loans and trade receivables due from related parties reflecting their current financial position, lower credit rating and overdue balances.

We do not demand collateral in the normal course of business. The credit exposure of derivative financial instruments is represented by the fair value of contracts with a positive fair value at the end of each period. The credit exposure of interest rate swap agreements, currency option contracts and foreign currency contracts is represented by the fair value of contracts with a positive fair value at the end of each period, reduced by the effects of master netting agreements and adjusted for counterparty non-performance credit risk assumptions. It is our policy to enter into master netting agreements with the counterparties to derivative financial instrument contracts, which give us the legal right to discharge all or a portion of amounts owed to a counterparty by offsetting them against amounts that the counterparty owes to us.

Credit risk is also considered as part of our expected credit loss provision. For details on how we estimate expected credit losses refer to Note 5 - "Current expected credit losses" to the Consolidated Financial Statements included herein.

Concentration of risk

There is also a concentration of credit risk with respect to cash and cash equivalents to the extent that most of the amounts are carried with Citibank, Nordea Bank AB, Danske Bank A/S, BNP Paribas and BTG Pactual. We consider these risks to be remote, but, from time to time, we may utilize instruments such as money market deposits to manage concentration of risk with respect to cash and cash equivalents. We also have a concentration of risk with respect to customers, including affiliated companies. For details on the customers with greater than 10% of contract revenues, refer to Note 6 - "Segment information". For details on amounts due from affiliated companies, refer to Note 27 - "Related party transactions" to the Consolidated Financial Statements included herein.

Foreign exchange risk

It is customary in the oil and gas industry that a majority of our revenues and expenses are denominated in U.S. dollars, which is the functional currency of most of our subsidiaries and equity method investees. However, a portion of the revenues and expenses of certain of our subsidiaries and equity method investees are denominated in other currencies. We are therefore exposed to foreign exchange gains and losses that may arise on the revaluation or settlement of monetary balances denominated in foreign currencies.

Our foreign exchange exposures primarily relate to cash and working capital balances denominated in foreign currencies. We do not expect these exposures to cause a significant amount of fluctuation in net income and do not currently hedge them. The effect of fluctuations in currency exchange rates arising from our international operations has not had a material impact on our overall operating results.

Interest rate risk

Our exposure to interest rate risk relates mainly to our floating rate debt and balances of surplus funds placed with financial institutions. We manage this risk through the use of derivative arrangements. On May 11, 2018, we purchased an interest rate cap for $68 million to mitigate exposure to future increases of LIBOR. The $4.5 billion of debt principal covered by the cap is significantly in excess of Seadrill's debt outstanding following the restructuring and the interest rate cap is not designated as a hedge and therefore we do not apply hedge accounting. The capped rate against the 3-month US LIBOR is 2.877% and covers the period from June 15, 2018 to June 15, 2023. The 3-month LIBOR rate as at December 31, 2021 was 0.209%.

As part of reference rate reform, the use of LIBOR will be replaced by other interest rate indexes as part of a negotiation with our lenders. As at December 31, 2021 our debt facilities and derivatives continue to be linked to the LIBOR interest rate index. The $683 million reinstated facility and $300 million new money facility will be referenced to the SOFR, whilst the Convertible Note will be referenced to the 3-month US LIBOR.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY SHARES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

The Debtors filing of Chapter 11 Proceedings on the Petition Dates constituted an event of default under our secured credit facilities and bond facilities and were reported as “Liabilities subject to compromise” on the Consolidated Balance Sheets as of the Petition Dates.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Our Management, with participation from the Chief Executive Officer and Chief Financial Officer assessed the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 and Rule 15d-15 of the Exchange Act as of December 31, 2021. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the evaluation date.

B. Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting.

Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with authorizations of Company's management and directors; and
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Management, with the participation of the Chief Executive Officer and Chief Financial Officer assessed the effectiveness of the design and operation of our internal control over financial reporting pursuant to Rule 13a-15 of the Exchange Act as of December 31, 2021. In making our assessment, our management used the criteria established in the Internal Control- Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management reviewed the results of its assessment with the Audit Committee of our Board of Directors. On the basis of this evaluation, Management concluded that, as of December 31, 2021, the Company's internal control over financial reporting was effective.

C. Changes in Internal Control over Financial Reporting

There were no changes in these internal controls during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

D. Enterprise Risk Management

At Seadrill, we adopt an enterprise-wide approach to risk identification, assessment, management and mitigation that starts by articulating potential exposures and opportunities along our day to day business processes. Our dedicated Quality & Enterprise Risk ("**Q&ER**") function, established in 2Q 2021, own and facilitate this activity on an annual basis through a network of Q&ER Champions representing all Corporate functions across Seadrill. The Q&ER function own Seadrill's Quality Management System (a repository for all policies, standards and procedures) and its Enterprise Risk Management System. Both Systems work hand-in-hand to deliver Seadrill's end-to-end Quality, Audit & Risk Management cycle.

In 2021, we identified 514 individual risks across our Corporate business processes, covering 22 key themes and encompassing strategic, reputational, regulatory, people, safety and operational parameters. Examples of these key themes include Unexpected Tax Liabilities & Exchange Rates Exposures, Third-Party & Supply Cost Management, Contractual & Major Capital Projects Risks and Delivery of our ESG agenda. These risks have informed our three-year Quality Audit Plan, where high-graded functions generating the top-25 risks for the Company have been prioritized for testing in Year-1. We have engaged an external service provider to support our Quality Audit Plan that will commence in Q2 2022.

ITEM 16. RESERVED

Not applicable.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Mark McCollum (Chair), Jan Kjærvik (Committee Member), Jean Cahuzac (Committee Member) and Karen Dyrskjot Boesen (Committee Member), are independent Directors as defined by the NYSE and are audit committee financial experts as defined by the SEC. See Item 6A - "Directors and Senior Management" for a description of their relevant experience.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Ethics that applies to all entities controlled by us and its employees, directors, officers and agents of ours. We will provide any person, free of charge, a copy of our Code of Ethics upon written request to our registered office.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our principal accountant for the fiscal years ended December 31, 2021, 2020 and 2019 was PricewaterhouseCoopers LLP (Firm ID: 876) in the United Kingdom. The following table sets forth the fees related to audit and other services provided by the principal accountants and their affiliates.

(In $)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Audit fees [1]	4,296,199	3,272,317	3,308,694
Audit-related fees [2]	652,676	64,195	100,330
All other fees [3]	22,699	19,259	17,269
Total	**4,971,574**	**3,355,771**	**3,426,293**

(1) Audit fees represent professional services rendered for the audit of our annual Consolidated Financial Statements and services provided by the principal accountant in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees consist of assurance and related services rendered by the principal accountant related to the performance of the audit or review of our Consolidated Financial Statements which have not been reported under Audit fees above.

(3) All other fees include services other than audit fees, audit-related fees and taxation fees set forth above, primarily including assistance in the preparation of financial statement for subsidiaries.

Audit Committee's Pre-Approval Policies and Procedures

Our Board has adopted pre-approval policies and procedures in compliance with paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X that require the Board to approve the appointment of our independent auditor before such auditor is engaged and approve each of the audit and non-audit-related services to be provided by such auditor under such engagement by us. All services provided by the principal auditor in 2021, 2020 and 2019 were approved by the Board pursuant to the pre-approval policy.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Seadrill is committed to good corporate governance. As a company listed at the OSE, Seadrill is subject to the Norwegian Code of Practice for Corporate Governance, and the Company complies with such guidelines, with certain deviations, as outlined and explained in a separate corporate governance report made available on or about the date of this annual report.

i. Internal Control and Risk Management

Information concerning the main elements of our internal control and risk management systems associated with the financial reporting process has been provided in Item 15 - "Controls and Procedures".

ii. Board of Directors and Board Committees

The composition of our Board of Directors is set out in Item 6 - "Directors, Senior Management and Employees", as is information pertaining to our Audit and Risk Committee, Joint Nomination and Remuneration Committee.

iii. Appointment of Board Members

Our current bye-laws regulate the process of appointing Board Members. Reference is made to Item 6 - "Directors, Senior Management and Employees", subsection "C. Board Practices" for information on specific rights concerning Terms of Office, the number of Board Members required in the Board of Directors and appointment procedures. Our current bye-laws have been included under Item 10 - "Additional Information", subsection "B. Memorandum of Association and Bye-laws", and set out the full regulation of the procedures for the appointment of Board Members.

iv. Authorization to Acquire Treasury Shares

Pursuant to our current bye-laws, the Company has the power to purchase its own shares (treasury shares) for cancellation, as well as to hold such shares as treasury shares. The Board of Directors may exercise all powers of the Company to purchase or acquire its own shares, whether for cancellation or to be held as treasury shares in accordance with Bermuda law.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18 - "Financial Statements" below.

ITEM 18. FINANCIAL STATEMENTS

Our Consolidated Financial Statements, together with the report from PricewaterhouseCoopers LLP thereon, are filed as a part of this Annual Report, beginning on page F-1.

ITEM 19. EXHIBITS

Exhibit Number	Description
1.1	Certificate of Incorporation of Seadrill 2021 Limited delivered October 21, 2021.
1.2	Memorandum of Association of Seadrill Limited as currently in effect.
1.3	Certificate of Deposit of Memorandum of Increase of Share Capital of Seadrill Limited.
1.4	Bye-Laws of Seadrill Limited as currently in effect.
1.5	Certificate of Change of Name from Seadrill 2021 Limited to Seadrill Limited delivered February 22, 2022.
2.1	Second Amended Joint Chapter 11 Plan (as modified) of Reorganization, as confirmed by the Bankruptcy Court on October 26, 2021.
2.2	Registration Rights Agreement.
4.1	Super Senior Term and Revolving Facilities Agreement.
4.2	Senior Secured Credit Facility Agreement.
4.3	Convertible Note Purchase Agreement.
8.1	Subsidiaries of the Company.
12.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
12.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
13.1	Certification of the Principal Executive Officer pursuant to 18 USC Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2	Certification of the Principal Financial Officer pursuant to 18 USC Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1	Oslo Stock Exchange Corporate Governance Report for Seadrill Limited.
101.INS	iXBRL Instance Document
101.SCH	iXBRL Taxonomy Extension Schema
101.CAL	iXBRL Taxonomy Extension Schema Calculation Linkbase
101.DEF	iXBRL Taxonomy Extension Definition Linkbase
101.LAB	iXBRL Taxonomy Extension Label Linkbase
101.PRE	iXBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the iXBRL document and contained in Exhibit 101)

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SIGNATURES

The registrant hereby certifies that it meets all the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Seadrill Limited
(Registrant)

Date: April 29, 2022

By: /s/ Grant Creed
Name: Grant Creed
Title: Principal Financial Officer of Seadrill Limited

Seadrill Limited
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Consolidated Financial Statements of Seadrill Limited

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Seadrill Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Seadrill Limited and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the consolidated financial statements, the Company changed the manner in which it accounts for credit losses on financial instruments in 2020.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Completeness of uncertain tax positions and valuation of certain uncertain tax positions

As described in Notes 2 and 12 to the consolidated financial statements, the Company had an unrecognized tax benefit of $85 million as of December 31, 2021 of which a majority relates to certain jurisdictions. As disclosed, management recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. Management regularly assesses the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes.

The principal considerations for our determination that performing procedures relating to the *completeness of uncertain tax positions and valuation of certain uncertain tax positions* is a critical audit matter are (i) the significant judgment by management when assessing uncertain tax positions, including a high degree of estimation uncertainty; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's timely identification of uncertain tax positions and accurate valuation of certain positions; (iii) the evaluation of audit evidence available to support certain uncertain tax positions is complex and resulted in significant auditor judgment as the nature of the evidence is often highly subjective; and (iv) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. For the completeness assertion, these procedures included, among others, (i) reviewing management's memo and exercise of identifying new uncertain tax positions; (ii) reviewing the status of any open tax audits; (iii) reviewing return-to-provision adjustments; (iv) inspecting copies of correspondence occurring during 2021 to evaluate the completeness of information used by

management in concluding on the related uncertain tax positions; (v) performing an assessment of the jurisdictions in which the Company operates and discussing with management as to whether there has been any correspondence from local tax authorities; (vi) considering the results of our other audit procedures performed to determine whether there are other uncertain tax positions that have not been identified, including whether there have been any significant structural or contractual changes to the business in 2021 which would impact the uncertain tax positions; and (vii) reviewing global tax accounting services newsletters and industry publications to identify changes to tax laws announced during the year, including those specifically for the oil and gas industry. For the valuation assertion for certain jurisdictions, these procedures included, among others (i) testing the completeness, accuracy and relevance of data used in the calculation of the liability for uncertain tax positions, including reviewing agreements, tax positions, and the related final tax returns; (ii) testing the model for calculating the liability for uncertain tax positions by jurisdiction, including management's assessment of the technical merits of tax positions and estimates of the amount of tax benefit expected to be sustained, including the amount of interest and penalties recorded to recalculate the closing balance; (iii) evaluating the status and results of income tax audits with the relevant tax authorities; and (iv) reviewing new information pertaining to valuation of these certain jurisdictions arising in 2021. Professionals with specialized skill and knowledge were used to assist in the evaluation of the completeness of uncertain tax positions and measurement of the Company's uncertain tax positions for the certain jurisdictions, including evaluating the reasonableness of management's assessment of whether tax positions are more-likely-than-not of being sustained and the amount of potential benefit to be realized, the application of relevant tax laws, and estimated interest and penalties.

Valuation of accounts receivable, net and drilling units recognized in the SeaMex business combination

As described in Note 2 and 32 to the consolidated financial statements, on November 2, 2021, the Company obtained the remaining 50% equity interest in SeaMex resulting in the consolidation of SeaMex into NSNCo in a business combination. This resulted in an acquisition of $316 million of accounts receivable, net and $216 million of drilling units. As disclosed, SeaMex's accounts receivable, net acquired includes a current expected credit loss estimated using a "probability-of-default" model similar to that of Seadrill's. The fair value of drilling units was estimated through the discounted cash flow ("DCF") approach. The DCF approach derives values of rigs from the cash flows associated with the remaining useful life of the rig. Forecasted revenues used in the DCF model are derived from a "general pool" whereby the rigs will receive a global dayrate assumption. All future cash flows are discounted using a weighted average cost of capital ("WACC").

The principal considerations for our determination that performing procedures relating to the valuation of accounts receivable, net and drilling units recognized in the SeaMex business combination is a critical audit matter are (i) the significant judgment by management when assessing the valuation of accounts receivable, net and drilling units, including a high degree of estimation uncertainty; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's assumptions of current expected credit losses, global dayrate, and WACC; (iii) the evaluation of audit evidence available to support the assumptions is complex and resulted in significant auditor judgment as the nature of the evidence is often highly subjective; and (iv) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) testing management's process for developing the future net cash flows in the DCF model; (ii) evaluating the appropriateness of management's DCF model and expected credit loss model; (iii) testing the completeness, accuracy, and relevance of the underlying data used in the models; and (iv) evaluating the significant estimates and assumptions used by management related to the current expected credit losses, global day rate, and weighted average cost of capital assumptions. Evaluating management's significant estimates and assumptions involved evaluating whether the estimates and assumptions used by management were reasonable considering (i) the current and past performance of the drilling units;(ii) the consistency with external market and industry forecast data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit; and (iv) the probability of default in the expected credit loss model. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's WACC, including reviewing management's calculation and comparing the WACC against comparable companies.

/s/ PricewaterhouseCoopers LLP
Watford, United Kingdom
April 29, 2022

We have served as the Company's or its predecessors' auditor since 2013.

Seadrill Limited
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF OPERATIONS
for the year ended December 31, 2021 , December 31, 2020 , and December 31, 2019
(In $ millions, except per share data)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
			(As adjusted)	*(As adjusted)*
Operating revenues				
Contract revenues		764	703	997
Reimbursable revenues		35	37	41
Management contract revenue	*	177	289	338
Other revenues	8 *	32	30	12
Total operating revenues		**1,008**	**1,059**	**1,388**
Operating expenses				
Vessel and rig operating expenses		(676)	(606)	(726)
Reimbursable expenses		(32)	(34)	(39)
Depreciation		(155)	(346)	(426)
Amortization of intangibles		—	(1)	(134)
Management contract expense	*	(174)	(390)	(302)
Selling, general and administrative expenses		(77)	(80)	(95)
Total operating expenses		**(1,114)**	**(1,457)**	**(1,722)**
Other operating items				
Loss on impairment of long-lived assets	11	(152)	(4,087)	—
Loss on impairment of intangibles		—	(21)	—
Gain on disposals		47	15	—
Other operating income	*	54	9	39
Total other operating items	9	**(51)**	**(4,084)**	**39**
Operating loss		**(157)**	**(4,482)**	**(295)**
Financial and other non-operating items				
Interest income	*	1	9	35
Interest expense	10	(109)	(409)	(421)
Loss on impairment of investments		—	—	(6)
Share in results from associated companies (net of tax)	17	3	—	(22)
Fair value measurement on deconsolidation of VIE		—	509	—
Loss on derivative financial instrument		—	(3)	(37)
Foreign exchange loss		(4)	(23)	(11)
Reorganization items, net	4	(310)	—	—
Other financial and non-operating items	*	(11)	(45)	(3)
Total financial and other non-operating items, net		**(430)**	**38**	**(465)**
Loss before income taxes		**(587)**	**(4,444)**	**(760)**
Income tax (expense)/benefit	12	(5)	(4)	40
Loss from continuing operations		**(592)**	**(4,448)**	**(720)**
Income/(loss) from discontinued operations	33	5	(215)	(502)
Net loss		**(587)**	**(4,663)**	**(1,222)**
Net loss attributable to the parent		**(587)**	**(4,659)**	**(1,219)**
Net loss attributable to the non-controlling interest		**—**	**(3)**	**(1)**
Net loss attributable to the redeemable non-controlling interest		**—**	**(1)**	**(2)**
Basic and Diluted loss per share from continuing operations (US dollar)		**(5.90)**	**(44.29)**	**(7.16)**
Basic and Diluted loss per share (U.S. dollar)		**(5.85)**	**(46.43)**	**(12.18)**

** Includes transactions with related parties. Refer to Note 27 - "Related party transactions" for further details.*
See accompanying notes that are an integral part of these Consolidated Financial Statements.

Seadrill Limited
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
for the year ended December 31, 2021, December 31, 2020 and December 31, 2019
(In $ millions)

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Net loss	**(587)**	**(4,663)**	**(1,222)**
Other comprehensive loss, net of tax, relating to continuing operations:			
Actuarial loss relating to pensions	—	(2)	(1)
Other comprehensive gain/(loss), net of tax, relating to discontinued operations:			
Change in fair value of debt component of Archer convertible bond	2	4	3
Share of other comprehensive loss from associated companies	9	(15)	(8)
Other comprehensive gain/(loss)	**11**	**(13)**	**(6)**
Total comprehensive loss for the period	**(576)**	**(4,676)**	**(1,228)**
Comprehensive loss attributable to the shareholders	**(576)**	**(4,672)**	**(1,225)**
Comprehensive loss attributable to the non-controlling interest	**—**	**(3)**	**(1)**
Comprehensive loss attributable to the redeemable non-controlling interest	**—**	**(1)**	**(2)**

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Seadrill Limited
(Debtor-in-Possession)
CONSOLIDATED BALANCE SHEETS
as at December 31, 2021 and 2020
(In $ millions, except per share data)

	Notes	December 31, 2021	December 31, 2020
			(As adjusted)
ASSETS			
Current assets			
Cash and cash equivalents		312	491
Restricted cash	14	160	103
Accounts receivable, net	15	169	125
Amount due from related parties, net	27	28	85
Assets held for sale - current	33	1,103	74
Other current assets	16	191	184
Total current assets		**1,963**	**1,062**
Non-current assets			
Investment in associated companies	17	27	24
Drilling units	18	1,777	2,120
Restricted cash	14	63	65
Deferred tax assets	12	11	9
Equipment	19	11	19
Amount due from related parties, net	27	—	6
Assets held for sale - non-current	33	—	611
Other non-current assets	16	27	45
Total non-current assets		**1,916**	**2,899**
Total assets		**3,879**	**3,961**
LIABILITIES AND EQUITY			
Current liabilities			
Debt due within one year	20	—	5,662
Trade accounts payable		59	45
Amounts due to related parties - current	27	—	7
Liabilities associated with assets held for sale - current	33	948	546
Other current liabilities	21	230	285
Total current liabilities		**1,237**	**6,545**
Liabilities subject to compromise	4	**6,235**	**—**
Non-current liabilities			
Long-term debt due to related parties	27	—	426
Deferred tax liabilities	12	9	10
Other non-current liabilities	21	114	120
Total non-current liabilities		**123**	**556**
Commitments and contingencies (see Note 30)			
EQUITY			
Common shares of par value US$0.10 per share 138,880,000 shares authorized and 100,384,435 issued at December 31, 2021 and December 31, 2020	23	10	10
Additional paid in capital		3,504	3,504
Accumulated other comprehensive loss		(15)	(26)
Retained loss		(7,215)	(6,628)
Total deficit		**(3,716)**	**(3,140)**
Total liabilities and equity		**3,879**	**3,961**

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Seadrill Limited
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the year ended December 31, 2021 and December 31, 2020
(In $ millions)

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
		(As adjusted)	*(As adjusted)*
Cash Flows from Operating Activities			
Net loss	**(587)**	**(4,663)**	**(1,222)**
Net loss from continuing operations	(592)	(4,448)	(720)
Net income/(loss) from discontinued operations	5	(215)	(502)
Net operating net loss adjustments related to discontinued operations [1]	(23)	191	469
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	155	346	426
Amortization of unfavorable and favorable contracts	—	1	134
Share of results from associated companies	(3)	—	22
Gain on disposals	(47)	(15)	—
Unrealized loss related to derivatives	—	3	37
Fair value measurement on deconsolidation of VIE	—	(509)	—
Loss on impairment of long-lived assets	152	4,087	—
Loss on impairment of intangibles	—	21	—
Loss on impairment of investments	—	—	6
Deferred tax benefit	(3)	(7)	(61)
Unrealized foreign exchange loss	2	19	(3)
Amortization of discount on debt	84	122	36
Change in allowance for credit losses	34	144	—
Non-cash reorganization items	176	—	—
Other cash movements in operating activities:			
Payments for long-term maintenance	(64)	(121)	(114)
Repayments made under lease arrangements	(46)	—	—
Changes in operating assets and liabilities, net of effect of acquisitions and disposals:			
Trade accounts receivable	(37)	48	35
Trade accounts payable	17	(38)	4
Prepaid expenses/accrued revenue	(4)	(54)	(1)
Deferred revenue	7	(5)	13
Related party receivables	(6)	(103)	(8)
Related party payables	(7)	(5)	(30)
Other assets	(19)	35	(13)
Other liabilities	65	75	9
Other, net	—	8	5
Net cash used in operating activities	**(154)**	**(420)**	**(256)**

[1] Relates to adjustments made to the net income/loss from discontinued operations to reconcile to net cash flows in operating activities from discontinued operations. The adjustments are made up of adjustments to reconcile net loss to net cash used in operating activities, other cash movements in operating activities, and changes in operating assets and liabilities, net of effect of acquisitions and disposals. The net cash used in operating activities related to Discontinued operations for the year ended December 31, 2021 was $18 million (December 31, 2020: $24 million; December 31, 2019: $33 million).

Seadrill Limited
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the year ended December 31, 2021, December 31, 2020, and December 31, 2019

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
		(As adjusted)	*(As adjusted)*
Cash Flows from Investing Activities			
Additions to drilling units and equipment	(29)	(27)	(48)
Purchase of call option for non-controlling interest shares	—	(11)	—
Investment in associated companies	—	—	(25)
Loans granted to related party	—	(8)	—
Proceeds from disposal of rigs	43	—	—
Impact to cash resulting from deconsolidation of VIE	—	(22)	—
Net cash provided by investing activities - discontinued operations	23	36	47
Net cash provided by/(used in) investing activities	**37**	**(32)**	**(26)**
Cash Flows from Financing Activities			
Repayments of secured credit facilities	—	(132)	(34)
Purchase of redeemable AOD non-controlling interest	—	(31)	—
Net cash used in financing activities - discontinued operations	—	—	(333)
Net cash used in financing activities	**—**	**(163)**	**(367)**
Effect of exchange rate changes on cash and cash equivalents	(2)	(19)	3
Net decrease in cash and cash equivalents, including restricted cash	**(119)**	**(634)**	**(646)**
Cash and cash equivalents, including restricted cash, at beginning of the year	723	1,357	2,003
Cash and cash equivalents, including restricted cash, at the beginning of year - continuing operations	659	1,305	1,632
Cash and cash equivalents, including restricted cash, at the beginning of year - discontinued operations	64	52	371
Cash and cash equivalents, including restricted cash, at the end of year	**604**	**723**	**1,357**
Cash and cash equivalents, including restricted cash, at the end of year - continuing operations [(2)]	535	659	1,305
Cash and cash equivalents, including restricted cash, at the end of year - discontinued operations	69	64	52
Supplementary disclosure of cash flow information			
Interest paid	—	(181)	(391)
Taxes paid	(5)	(13)	(36)
Reorganization items, net paid	(100)	—	—

(2) Comprised of cash and cash equivalents $312 million (2020: $491 million, 2019: $1,087 million), restricted cash $160 million (2020: $103 million, 2019: $135 million), and restricted cash included in non-current assets $63 million (2020: $65 million, 2019: $83 million).

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Seadrill Limited
(Debtor-in-Possession)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the year ended December 31, 2021, December 31, 2020 and December 31, 2019
(In $ millions)

	Common shares	Additional paid in capital	Accumulated other comprehensive income/(loss)	Retained Earnings	Total equity before NCI	Non-controlling interest	Total equity
December 31, 2018	**10**	**3,491**	**(7)**	**(611)**	**2,883**	**152**	**3,035**
Net loss from continuing operations	—	—	—	(717)	**(717)**	(1)	**(718)**
Net loss from discontinuing operations	—	—	—	(502)	**(502)**	—	**(502)**
Other comprehensive loss from continuing operations	—	—	(1)	—	**(1)**	—	**(1)**
Other comprehensive loss from discontinued operations	—	—	(5)	—	**(5)**	—	**(5)**
Fair Value adjustment AOD Redeemable NCI	—	—	—	(21)	**(21)**	—	**(21)**
Share-based compensation charge	—	5	—	—	**5**	—	**5**
December 31, 2019	**10**	**3,496**	**(13)**	**(1,851)**	**1,642**	**151**	**1,793**
ASU 2016-13 - Measurement of credit losses on financial instruments	—	—	—	(143)	**(143)**	—	**(143)**
January 1, 2020	**10**	**3,496**	**(13)**	**(1,994)**	**1,499**	**151**	**1,650**
Net loss from continuing operations	—	—	—	(4,444)	**(4,444)**	(3)	**(4,447)**
Net loss from discontinuing operations	—	—	—	(215)	**(215)**	—	**(215)**
Other comprehensive loss from continuing operations	—	—	(2)	—	**(2)**	—	**(2)**
Other comprehensive loss from discontinued operations			(11)		**(11)**	—	**(11)**
Fair Value adjustment AOD Redeemable NCI	—	—	—	25	**25**	—	**25**
Purchase option on non-controlling interest	—	—	—	—	**—**	(11)	**(11)**
Deconsolidation of VIE	—	—	—	—	**—**	(137)	**(137)**
Share-based compensation charge	—	9	—	—	**9**	—	**9**
Cash settlement for cancellation of share scheme		(1)			**(1)**	—	**(1)**
December 31, 2020	**10**	**3,504**	**(26)**	**(6,628)**	**(3,140)**	**—**	**(3,140)**
Net loss from continuing operations	**—**	**—**	—	(592)	**(592)**	—	**(592)**
Net income from discontinued operations	**—**	**—**	**—**	5	**5**	—	**5**
Other comprehensive income from Discontinuing operations	**—**	**—**	11	—	**11**	—	**11**
December 31, 2021	**10**	**3,504**	**(15)**	**(7,215)**	**(3,716)**	**—**	**(3,716)**

See accompanying notes that are an integral part of these Consolidated Financial Statements.

Seadrill Limited
(Debtor-in-Possession)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – General information

Seadrill Limited is incorporated in Bermuda. We provide offshore drilling services to the oil and gas industry. As at December 31, 2021 we owned 24 drilling rigs, leased three and managed and operated nine rigs on behalf of Aquadrill (formerly Seadrill Partners), SeaMex, and Sonadrill. Our fleet consists of drillships, jack-up rigs and semi-submersible rigs for operations in shallow and deepwater areas, as well as benign and harsh environments.

As used herein, the term "predecessor" refers to the financial position and results of operations of Seadrill Limited prior to, and including, February 22, 2022. This is also applicable to terms "we", "our", "Group" or "Company" in context of events prior to February 22, 2022. As used herein, the term "Successor" refers to the financial position and results of operations of Seadrill Limited (previously "**Seadrill 2021 Limited**") after February 22, 2022. This is also applicable to terms "new successor", "we", "our", "Group" or "Company" in context of events after February 22, 2022.

The use herein of such terms as "Group", "organization", "we", "us", "our" and "its", or references to specific entities, is not intended to be a precise description of corporate relationships.

Emergence from Chapter 11 Bankruptcy

On February 22, 2022, Seadrill completed its comprehensive restructuring and emerged from Chapter 11 bankruptcy protection. Please refer to Note 4 "Chapter 11 Proceedings" of the accompanying financial statements for further details.

In our report at June 30, 2021, we had raised a substantial doubt as to our ability to continue as a going concern as a result of the fact that we were in Chapter 11 and there was a degree of inherent risk associated with being in bankruptcy and whether the Plan of Reorganization would be confirmed. Having now emerged from Chapter 11 and with access to exit financing, we believe that cash on hand, contract and other revenues will generate sufficient cash flow to fund our anticipated debt service and working capital requirements for the next twelve months. Therefore, there is no longer a substantial doubt over our ability to continue as a going concern for at least the next twelve months following the date of issue of the financial statements.

Financial information in this report has been prepared on a going concern basis of accounting, which presumes that we will be able to realize our assets and discharge our liabilities in the normal course of business as they come due. Financial information in this report does not reflect the adjustments to the carrying values of assets, liabilities and the reported expenses and balance sheet classifications that would be necessary if we were unable to realize our assets and settle our liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Basis of presentation

The Consolidated Financial Statements are presented in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). The amounts are presented in United States dollar ("**U.S. dollar**" or "**US$**") rounded to the nearest million, unless otherwise stated.

The accompanying Consolidated Financial Statements include the financial statements of Seadrill Limited, its consolidated subsidiaries and any variable interest entity ("**VIE**") in which we are the primary beneficiary.

Basis of consolidation

We consolidate investments in companies in which we control directly or indirectly more than 50% of the voting rights.

We also consolidate entities in which we hold a variable interest where we are the primary beneficiary of the entity. A VIE is defined as a legal entity where either (a) the total equity at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) equity interest holders as a group lack either (i) the power to direct the activities of the entity that most significantly impact on its economic performance, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the voting rights of some investors in the entity are not proportional to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. We are the primary beneficiary of a VIE when we have both (1) the power to direct the activities of the entity which most significantly impact on the entity's economic performance, and (2) the right to receive benefits or the obligation to absorb losses from the entity which could potentially be significant to the entity.

Subsidiaries, even if fully owned, are excluded from the Consolidated Financial Statements if we are not the primary beneficiary under the variable interest model. All intercompany balances and transactions have been eliminated.

Fresh Start Reporting

Upon emergence from bankruptcy on the **Effective Date**, in accordance with ASC 852, Seadrill Limited expects to qualify for fresh-start reporting and expects to become a new entity for financial reporting purposes. We will allocate the reorganization value resulting from fresh-start reporting in accordance with the purchase price allocation performed as of the Effective Date.

Note 2 – Accounting policies

The accounting policies set out below have been applied consistently to all periods in these Consolidated Financial Statements, unless otherwise noted.

Revenue from contracts with customers

The activities that primarily drive the revenue earned from our drilling contracts include (i) providing a drilling rig and the crew and supplies necessary to operate the rig, (ii) mobilizing and demobilizing the rig to and from the drill site and (iii) performing rig preparation activities and/or modifications required for the contract with a customer. Consideration received for performing these activities may consist of dayrate drilling revenue, mobilization and demobilization revenue, contract preparation revenue and reimbursement revenue. We account for these integrated services as a single performance obligation that is (i) satisfied over time and (ii) comprised of a series of distinct time increments of service.

We recognize revenues for activities that correspond to a distinct time increment of service within the contract term in the period when the services are performed. We recognize consideration for activities that are (i) not distinct within the context of our contracts and (ii) do not correspond to a distinct time increment of service, ratably over the estimated contract term.

We determine the total transaction price for each individual contract by estimating both fixed and variable consideration expected to be earned over the term of the contract. The amount estimated for variable consideration may be constrained and is only included in the transaction price to the extent that it is probable that a significant reversal of previously recognized revenue will not occur throughout the term of the contract. When determining if variable consideration should be constrained, we consider whether there are factors outside of our control that could result in a significant reversal of revenue as well as the likelihood and magnitude of a potential reversal of revenue. We re-assess these estimates each reporting period as required. Refer to Note 7 - "Revenue from contracts with customers".

Dayrate drilling revenue - Our drilling contracts generally provide for payment on a dayrate basis, with higher rates for periods when the drilling unit is operating and lower rates or zero rates for periods when drilling operations are interrupted or restricted. The dayrate invoices billed to the customer are typically determined based on the varying rates applicable to the specific activities performed on an hourly basis. Such dayrate consideration is allocated to the distinct hourly incremental service it relates to. Revenue is recognized in line with the contractual rate billed for the services provided for any given hour.

Mobilization revenue - We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the mobilization of our rigs. These activities are not considered to be distinct within the context of the contract. The associated revenue is allocated to the overall performance obligation and recognized ratably over the expected term of the related drilling contract. We record a contract liability for mobilization fees received, which is amortized ratably to contract drilling revenue as services are rendered over the initial term of the related drilling contract.

Demobilization revenue - We may receive fees (on either a fixed lump-sum or variable dayrate basis) for the demobilization of our rigs. Demobilization revenue expected to be received upon contract completion is estimated as part of the overall transaction price at contract inception and recognized over the term of the contract. In most of our contracts, there is uncertainty as to the likelihood and amount of expected demobilization revenue to be received. For example, the amount may vary dependent upon whether or not the rig has additional contracted work following the contract. Therefore, the estimate for such revenue may be constrained, as described above, depending on the facts and circumstances pertaining to the specific contract. We assess the likelihood of receiving such revenue based on past experience and knowledge of the market conditions.

Revenues related to reimbursable expenses - We generally receive reimbursements from our customers for the purchase of supplies, equipment, personnel services and other services provided at their request in accordance with a drilling contract or other agreement. Such reimbursable revenue is variable and subject to uncertainty, as the amounts received and timing thereof are highly dependent on factors outside of our influence. Accordingly, reimbursable revenue is fully constrained and not included in the total transaction price until the uncertainty is resolved, which typically occurs when the related costs are incurred on behalf of a customer. We are generally considered a principal in such transactions and record the associated revenue at the gross amount billed to the customer, at a point in time, as “Reimbursable revenues” in our Consolidated Statements of Operations.

Local taxes - In some countries, the local government or taxing authority may assess taxes on our revenues. Such taxes may include sales taxes, use taxes, value-added taxes, gross receipts taxes and excise taxes. We generally record tax-assessed revenue transactions on a net basis.

Deferred contract expenses - Certain direct and incremental costs incurred for upfront preparation, initial mobilization and modifications of contracted rigs represent costs of fulfilling a contract as they relate directly to a contract, enhance resources that will be used in satisfying our performance obligations in the future and are expected to be recovered. Such costs are deferred and amortized ratably to contract drilling expense as services are rendered over the initial term of the related drilling contract.

Management contract revenues

Management fees - Revenues related to operation support and management services provided to Aquadrill (formerly Seadrill Partners), SeaMex, Sonadrill, and Northern Ocean. This includes both related and non-related companies.

Other revenues

Other revenues consist of related party revenues, leasing income from rigs leased to Gulfdrill, external management fees, and early termination fees. Refer to Note 8 – "Other revenues". Revenue is recognized as the performance obligation is satisfied, which on our leased rigs is on a straight-line basis.

Early termination fees - Other revenues also include amounts recognized as early termination fees under drilling contracts which have been terminated prior to the contract end date. Contract termination fees are recognized daily as and when any contingencies or uncertainties are resolved.

Vessel and Rig Operating Expenses

Vessel and rig operating expenses are costs associated with operating a drilling unit that is either in operation or stacked and include the remuneration of offshore crews and related costs, rig supplies, insurance costs, expenses for repairs and maintenance and costs for onshore support personnel. We expense such costs as incurred.

Mobilization and demobilization expenses

We incur costs to prepare a drilling unit for a new customer contract and to move the rig to a new contract location. We capitalize the mobilization and preparation costs for a rig's first contract as a part of the rig value and recognize them as depreciation expense over the expected useful life of the rig (i.e. 30 years). For subsequent contracts, we defer these costs over the expected contract term (see deferred contract costs above), unless we do not expect the costs to be recoverable, in which case we expense them as incurred.

We incur costs to transfer a drilling unit to a safe harbor or different geographic area at the end of a contract. We expense such demobilization costs as incurred. We also expense any costs incurred to relocate drilling units that are not under contract.

Repairs, maintenance and periodic surveys

Costs related to periodic overhauls of drilling units are capitalized and amortized over the anticipated period between overhauls, which is generally five years. Related costs are primarily yard costs and the cost of employees directly involved in the work. We include amortization costs for periodic overhauls in depreciation expense. Costs for other repair and maintenance activities are included in vessel and rig operating expenses and are expensed as incurred.

Income taxes

Seadrill is a Bermuda company that has subsidiaries and affiliates in various jurisdictions. Currently, Seadrill and our Bermudan subsidiaries and affiliates are not required to pay taxes in Bermuda on ordinary income or capital gains as they qualify as exempted companies. Seadrill and our subsidiaries and affiliates have received written assurance from the Minister of Finance in Bermuda that we will be exempt from taxation until March 2035. Certain subsidiaries operate in other jurisdictions where taxes are imposed. Consequently, income taxes have been recorded in these jurisdictions when appropriate. Our income tax expense is based on our income and statutory tax rates in the various jurisdictions in which we operate. We provide for income taxes based on the tax laws and rates in effect in the countries in which operations are conducted and income is earned. Refer to Note 12 – "Taxation".

The determination and evaluation of our annual group income tax provision involves interpretation of tax laws in various jurisdictions in which we operate and requires significant judgment and use of estimates and assumptions regarding significant future events, such as amounts, timing and character of income, deductions and tax credits. There are certain transactions for which the ultimate tax determination is unclear due to uncertainty in the ordinary course of business.

We recognize liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. While we believe we have appropriate support for the positions taken on our tax returns, we regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes.

Current income tax expense reflects an estimate of our income tax liability for the current year, withholding taxes, changes in prior year tax estimates as tax returns are filed, or from tax audit adjustments.

Income tax expense consists of taxes currently payable and changes in deferred tax assets and liabilities calculated according to local tax rules. We recognize the income tax effects of intercompany sales or transfers of assets, other than inventory, in the Consolidated Statement of Operations as income tax expense (or benefit) in the period of sale or transfer occurs.

Deferred tax assets and liabilities are based on temporary differences that arise between carrying values used for financial reporting purposes and amounts used for taxation purposes of assets and liabilities and the future tax benefits of tax loss carry forwards.

Our deferred tax expense or benefit represents the change in the balance of deferred tax assets or liabilities as reflected on the balance sheet. Valuation allowances are determined to reduce deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized. To determine the amount of deferred tax assets and liabilities, as well as at the valuation allowances, we must make estimates and certain assumptions regarding future taxable income, including where our drilling units are expected to be deployed, as well as other assumptions related to our future tax position. A change in such estimates and assumptions, along with any changes in tax laws, could require us to adjust the deferred tax assets, liabilities, or valuation allowances. The amount of deferred tax provided is based upon the expected manner of settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date. The impact of tax law changes is recognized in periods when the change is enacted.

Foreign currencies

The majority of our revenues and expenses are denominated in U.S. dollars and therefore the majority of our subsidiaries use U.S. dollars as their functional currency. Our reporting currency is also U.S. dollars. For subsidiaries that maintain their accounts in currencies other than U.S. dollars, we use the current method of translation whereby items of income and expense are translated using the average exchange rate for the period and the assets and liabilities are translated using the year-end exchange rate. Foreign currency translation gains or losses on consolidation are recorded as a separate component of other comprehensive income in shareholders' equity.

Transactions in foreign currencies are translated into U.S. dollars at the rates of exchange in effect at the date of the transaction. Foreign currency denominated monetary assets and liabilities are remeasured using rates of exchange at the balance sheet date. Gains and losses on foreign currency transactions are included in the Consolidated Statements of Operations.

Loss per share

Basic loss per share ("**LPS**") is calculated based on the loss for the period available to common shareholders divided by the weighted average number of shares outstanding. Diluted loss per share includes the effect of the assumed conversion of potentially dilutive instruments such as our restricted stock units. The determination of dilutive loss per share may require us to make adjustments to net loss and the weighted average shares outstanding. Refer to Note 13 – "Loss per share".

Fair value measurements

We estimate fair value at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market for the asset or liability. Hierarchy Levels 1, 2 and 3 are terms for the priority of inputs to valuation techniques used to measure fair value. Hierarchy Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets. Hierarchy Level 2 inputs are significant other observable inputs, including direct or indirect market data for similar assets or liabilities in active markets or identical assets or liabilities in less active markets. Hierarchy Level 3 inputs are significant unobservable inputs, including those that require considerable judgment for which there is little or no market data. When a valuation requires multiple input levels, we categorize the entire fair value measurement according to the lowest level of input that is significant to the measurement even though we may have also utilized significant inputs that are more readily observable.

Current and non-current classification

Generally, assets and liabilities (excluding deferred taxes and liabilities subject to compromise) are classified as current assets and liabilities respectively if their maturity is within one year of the balance sheet date. In addition, we classify any derivative financial instruments as current. Current liabilities will include where amounts from lenders are payable on demand at their discretion due to event of default clauses being met.

Generally, assets and liabilities are classified as non-current assets and liabilities respectively if their maturity is beyond one year of the balance sheet date. In addition, we classify loan fees based on the classification of the associated debt principal.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits and highly liquid financial instruments with maturities of three months or less. Amounts are presented net of allowances for credit losses.

Restricted cash consists of bank deposits which are subject to restrictions due to legislation, regulation or contractual arrangements. Restricted cash amounts that are expected to be used after one year from balance sheet date are classified as non-current assets. Amounts are presented net of allowances for credit losses, which are assessed based on consideration of whether the balances have short-term maturities and whether the counterparty has an investment grade credit rating, limiting any credit exposure. Refer to Note 14 – "Restricted cash".

Receivables

Receivables, including accounts receivable, are recorded in the balance sheet at their nominal amount net of expected credit losses and write-offs. Interest income on receivables is recognized as earned. Refer to Note 15 – "Accounts receivable".

Allowance for credit losses

In 2020 we adopted the current expected credit loss ("**CECL**") model which replaced the "incurred loss" model required under the guidance for FY 2019. The CECL model requires recognition of expected credit losses over the life of a financial asset upon its initial recognition. Periods prior to adoption are presented under the previous guidance with an allowance against a receivable balance recognized only if it was probable that we would not recover the full amount due to us. We determined doubtful accounts on a case-by-case basis and considered the financial condition of the customer as well as specific circumstances related to the receivable such as customer disputes.

The CECL model contemplates a broader range of information to estimate expected credit losses over the contractual lifetime of an asset. It also requires to consider the risk of loss even if it is remote. We estimate expected credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts of events which may affect the collectability. We estimate the CECL allowance using a "probability-of-default" model, calculated by multiplying the exposure at default by the probability of default by the loss given default by a risk overlay multiplier over the life of the financial instrument (as defined by ASU 2016-13). Our critical judgements relate to internal credit ratings and maturities used to determine probability of default, the subordination of debt to determine loss given default and the performance status of the receivable that can impact any management overlay. We determine management risk overlay based on management assessment of defaults, overdue amounts and other observable events that provide information on collection. Our internal credit ratings are based on the Moody's scorecard approach (based on several quantitative and qualitative factors) and our approach relies on statistical data from Moody's 'Default and Ratings Analytics' to derive the expected credit loss. We monitor the credit quality of receivables by re-assessing credit ratings, assumed maturities and probability-of-default on a quarterly basis. Due to the inherent uncertainty around these judgmental areas, it is at least reasonably possible that a material change in the CECL allowance can occur in the near term. We grouped financial assets with similar risk characteristics based on their contractual terms, historical credit loss pattern, internal and external credit ratings, maturity, collateral type, past due status and other relevant factors.

The CECL model applies to external trade receivables, related party receivables and other financial assets measured at amortized cost as well as to off-balance sheet credit exposures not accounted for as insurance. We have elected to calculate expected credit losses on the combined balance of both the amortized cost and accrued interest from the unpaid principal balance.

The allowance for credit losses reflects the net amount expected to be collected on the financial asset. Any change in credit allowance is reflected in the Consolidated Statement of Operations based on the nature of the financial asset receivable.

Amounts are written off against the allowance in the period when efforts to collect a balance have been exhausted. Any write-offs in excess of credit allowance by category of financial asset reduces the asset's carrying amount and is reflected in the Consolidated Statement of

Operations. Expected recoveries will not exceed the amounts previously written-off or current credit loss allowance by financial asset category and are recognized in the Consolidated Statement of Operations in the period of receipt.

Contract assets and liabilities

Accounts receivable are recognized when the right to consideration becomes unconditional based upon contractual billing schedules. If we recognize revenue ahead of this point, we also recognize a contract asset. Contract assets balances relate primarily to demobilization revenues recognized during the period associated with probable future demobilization activities.

Contract liabilities include payments received for mobilization, rig preparation and upgrade activities which are allocated to the overall performance obligation and recognized ratably over the initial term of the contract.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. 10% shareholders that do not have significant influence are also considered to be related parties. Amounts receivable from related parties are presented net of allowances for expected credit losses and write-offs. Interest income on receivables is recognized as earned. Refer to Note 27 –" Related party transactions" for details of balances and material transactions with related parties.

Business Combinations

We account for business combinations in accordance with ASC 805 - Business Combinations. As described in Note 32 - Business Combinations, on November 2, 2021, NSNCo (wholly owned subsidiary of Seadrill Limited) consolidated SeaMex in a business combination. Management determined that the Transaction qualified as a business combination under ASC 805 because (i) SeaMex as the acquiree met the definition of a business and (ii) NSNCo as the acquirer obtained control of SeaMex. As a result, the acquisition method was applied, and the identifiable assets acquired and liabilities assumed were recognized at fair value on the acquisition date.

i. *Accounts receivable, net*

SeaMex's CECL model estimates the allowance using a similar “probability-of-default” model to that of Seadrill's. Refer to Allowance for Credit Losses section above.

ii. *Drilling Units*

The fair value of drilling units are estimated through the DCF approach. The DCF approach derives values of rigs from the cash flows associated with the remaining useful life of the rig. Forecasted revenues used in the DCF model are derived from a "general pool" whereby the rigs receive a global dayrate assumption and a contract probability factor. All future cash flows are discounted using a WACC. Key assumptions used in the DCF include contracted dayrate and utilization forecasts.

iii. *Contracts*

Management values the favorable intangible drilling contracts by comparing the signed contract rates against the expected rates achievable for the rig type in the market, both adjusted for economic utilization and taxes. The gain or loss on the signed contract compared to the market rates are then discounted using an adjusted WACC.

iv. *Convenience date*

Where a business combination does not occur on a natural period end reporting date, the Company assesses the use of a convenience date based on materiality.

Equity investments

Investments in common stock are accounted for using the equity method if we have the ability to significantly influence, but not control, the investee. Significant influence is presumed to exist if our ownership interest in the voting stock of the investee is between 20% and 50%. We also consider other factors such as representation on the investee’s board of directors and the nature of commercial arrangements, We classify our equity investees as "Investments in Associated Companies". We recognize our share of earnings or losses from our equity method investments in the Consolidated Statements of Operations as “Share in results from associated companies”. Refer to Note 17 – "Investment in associated companies".

We assess our equity method investments for impairment at each reporting period when events or circumstances suggest that the carrying amount of the investments may be impaired. We record an impairment charge for other-than-temporary declines in value when the value is not anticipated to recover above the cost within a reasonable period after the measurement date. We consider (1) the length of time and extent to which fair value is below carrying value, (2) the financial condition and near-term prospects of the investee, and (3) our intent and ability to hold the investment until any anticipated recovery. If an impairment loss is recognized, subsequent recoveries in value are not reflected in earnings until sale of the equity method investee occurs.

All other equity investments including investments that do not give us the ability to exercise significant influence and investments in equity instruments other than common stock, are accounted for at fair value, if readily determinable. We classify our other equity investments as "marketable securities" with gains or losses on remeasurement to fair value recognized as "loss on marketable securities". If we cannot readily ascertain the fair value, we record the investment at cost less impairment. We perform a qualitative impairment analysis for our equity investments recorded at cost at each reporting period to evaluate whether an event or change in circumstances has occurred that indicates that the investment is impaired. We record an impairment loss to the extent that the carrying amount of the investment exceeds its estimated fair value.

Drilling units

Rigs, vessels and related equipment are recorded at historical cost less accumulated depreciation. The cost of these assets, less estimated residual value is depreciated on a straight-line basis over their estimated remaining economic useful lives. The estimated residual value is taken to be offset by any decommissioning costs that may be incurred. The estimated economic useful life of our floaters and, jack-up rigs, when new, is 30 years. The direct and incremental costs of significant capital projects, such as rig upgrades and reactivation projects, are capitalized and depreciated over the remaining life of the asset.

Drilling units acquired in a business combination are measured at fair value at the date of acquisition. Cost of property and equipment sold or retired, with the related accumulated depreciation and impairment is removed from the Consolidated Balance Sheet, and resulting gains or losses are included in the Consolidated Statement of Operations.

We re-assess the remaining useful lives of our drilling units when events occur which may impact our assessment of their remaining useful lives. These include changes in the operating condition or functional capability of our rigs, technological advances, changes in market and economic conditions as well as changes in laws or regulations affecting the drilling industry.

Equipment

Equipment is recorded at historical cost less accumulated depreciation and impairment and is depreciated over its estimated remaining useful life. The estimated economic useful life of equipment, when new, is between 3 and 5 years depending on the type of asset. Refer to Note 19 – "Equipment".

Assets held for sale

Assets are classified as held for sale when all of the following criteria are met: management commits to a plan to sell the asset (disposal group), the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets, an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated, the sale of the asset is probable, and transfer of the asset is expected to qualify for recognition as a completed sale, within 1 year. The term probable refers to a future sale that is likely to occur, the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets held for sale are measured at the lower of carrying value or fair value less costs to sell.

Leases

Lessee - When we enter into a new contract, or modify an existing contract, we identify whether that contract has a finance or operating lease component. We do not have, nor expect to have any leases classified as finance leases. We determine the lease commencement date by reference to the date the rig (or other leased asset) is available for use and transfer of control has occurred from the lessee. At the lease commencement date, we measure and recognize a lease liability and a right of use ("**ROU**") asset in the financial statements. The lease liability is measured at the present value of the lease payments not yet paid, discounted using the estimated incremental borrowing rate at lease commencement. The ROU asset is measured at the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date, minus any lease incentives received, plus any initial direct costs incurred by us.

After the commencement date, we adjust the carrying amount of the lease liability by the amount of payments made in the period as well as the unwinding of the discount over the lease term using the effective interest method. After commencement date, we amortize the ROU asset by the amount required to keep total lease expense including interest constant (straight-line over the lease term).

Absent an impairment of the ROU asset, the single lease cost is calculated so that the remaining cost of the lease is allocated over the remaining lease term on straight-line basis. Seadrill assesses a ROU asset for impairment and recognizes any impairment loss in accordance with the accounting policy on impairment of long-lived assets.

We applied the following significant assumptions and judgments in accounting for our leases.

- We apply judgment in determining whether a contract contains a lease or a lease component as defined by Topic 842.
- We have elected to combine leases and non-lease components. As a result, we do not allocate our consideration between leases and non-lease components.
- The discount rate applied to our operating leases is our incremental borrowing rate. We estimated our incremental borrowing rate based on the rate for our traded debt.
- Within the terms and conditions of some of our operating leases we have options to extend or terminate the lease. In instances where we are reasonably certain to exercise available options to extend or terminate, then the option was included in determining the appropriate lease term to apply. Options to renew our lease terms are included in determining the right-of-use asset and lease liability when it is reasonably certain that we will exercise that option.
- Where a leasing arrangement is a failed sale and leaseback transaction as no transfer of control has occurred as defined by Topic 606, any monies received will be treated as a financing transaction.

Lessor - When we enter into a new contract, or modify an existing contract, we identify whether that contract has a sales-type, direct financing or operating lease. We do not have, nor expect to have any leases classified as sales-type or direct financing. For our operating lease, the underlying asset remains on the balance sheet and we record periodic depreciation expense and lease revenue.

Impairment of long-lived assets

We review the carrying value of our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be appropriate. We first assess recoverability of the carrying value of the asset by estimating the

undiscounted future net cash flows expected to be generated from the asset, including eventual disposal. If the undiscounted future net cash flows are less than the carrying value of the asset, then we compare the carrying value of the asset with the discounted future net cash flows, using a relevant weighted-average cost of capital. The impairment loss to be recognized during the period, is the amount by which the carrying value of the asset exceeds the discounted future net cash flows.

Other intangible assets and liabilities

Intangible assets and liabilities were recorded at fair value on the date of Seadrill's previous emergence from Chapter 11 in 2018 less accumulated amortization. The amounts of these assets and liabilities less any estimated residual value are amortized on a straight-line basis over the estimated remaining economic useful life or contractual period. We classify amortization of these intangible assets and liabilities within operating expenses. Our intangible assets include favorable and unfavorable drilling contracts and management services contracts. Refer to Note 16 – "Other assets". Our intangible liabilities include unfavorable drilling contracts and unfavorable leasehold improvements. Refer to Note 21 – "Other liabilities".

Derivative financial instruments and hedging activities

Our derivative financial instruments are measured at fair value and are not designated as a hedging instruments. Changes in fair value are recorded as a gain or loss as a separate line item within "financial items" in the Consolidated Statements of Operations. Refer to Note 28 – "Financial instruments and risk management".

Trade payables

Trade payables are liabilities to a supplier for a good or service provided to us.

Deferred charges

Loan related costs, including debt issuance, arrangement fees and legal expenses, are capitalized and presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability, amortized over the term of the related loan. The amortization is included in interest expense. On emergence from Seadrill's previous Chapter 11 in 2018, our loan costs were reduced to nil. We recognized a discount on our debt to reduce its carrying value to its fair value. The debt discount was due to be unwound over the remaining terms of the debt facilities.

Debt

We have financed a significant proportion of the cost of acquiring our fleet of drilling units through the issue of debt instruments. At the inception of a term debt arrangement, or whenever we make the initial drawdown on a revolving debt arrangement, we incur a liability for the principal to be repaid. On emergence from the Chapter 11, we issued new debt instruments. Refer to Note 20 – "Debt" for more information on our debt instruments.

Pension benefits

We have several defined benefit pension plans, defined contribution pension plans and other post-employment benefit obligations which provide retirement, death and early termination benefits. We recognize the service cost, as "Vessel and rig operating expenses" or as "Selling, general and administrative expenses" in our Consolidated Statements of Operations depending on the whether or not the related employee's role is directly attributable to rig activities.

Several defined benefit pension plans cover a number of our Norwegian employees that are all administered by a life insurance company. Our net obligation is calculated by estimating the amount of the future benefit that employees have earned in return for their cumulative service. The aggregated projected future benefit obligation is discounted to present value, from which the aggregated fair value of plan assets is deducted. The discount rate is the market yield at the balance sheet date on government bonds in the relevant currency and based on terms consistent with the post-employment benefit obligations.

We record the actuarial gains and losses in the Consolidated Statements of Operations when the net cumulative unrecognized actuarial gains or losses for each individual plan at the end of the previous reporting year exceed 10 percent of the higher of the present value of the defined benefit obligation and the fair value of plan assets at that date. These actuarial gains and losses are recognized over the expected remaining working lives of the employees participating in the plans. Otherwise, recognition of actuarial gains and losses is included in other comprehensive income. Those amounts will be subsequently recognized as a component of net periodic pension cost on the same basis as the amounts recognized in accumulated other comprehensive income.

On retirement, or when an employee leaves the company, the member's pension liability is transferred to the life insurance company administering the plan, and the pension plan no longer retains an obligation relating to the leaving member. This action is deemed to represent a settlement under U.S. GAAP, as it represents the elimination of significant risks relating to the pension obligation and related assets. Under settlement accounting, the portion of the net unrealized actuarial gains/losses corresponding to the relative value of the obligation reduction is recognized through the Consolidated Statement of Operations. However, settlement accounting is not required if the cost of all settlements in a year is not deemed to be significant in the context of the plan. We deem the settlement not to be significant when the cost of settlements in the year is less than the sum of service cost and interest cost in the year. In this case, the difference between the reduction in benefit obligation and the plan assets transferred to the life insurance company is recognized within "other comprehensive income," rather than being recognized in the Consolidated Statement of Operations.

Loss contingencies

We recognize a loss contingency in the Consolidated Balance Sheets where we have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Refer to Note 30 – "Commitments and contingencies".

Treasury shares

Treasury shares are recognized at cost as a component of equity. We record the nominal value of treasury shares purchased as a reduction in share capital. The amount paid in excess of the nominal value is treated as a reduction of additional paid-in capital. Upon Seadrill's previous emergence from Chapter 11 in 2018, we no longer had any treasury shares.

Share-based compensation

After emerging from the Previous Chapter 11, we made several awards under our employee benefit plan (see Note 25 – "Share based compensation"), which have been cancelled in July 2020 for a cash payment. The compensation for our unvested awards at date of cancellation was based on the fair value of the Shares at the cancellation date. The cash compensation paid to settle the award was charged directly to equity. For our cancelled awards any remaining unrecognized compensation cost for unvested awards was recognized immediately on the settlement date.

Before cancellation we expensed the fair value of stock-based compensation issued to employees and non-employees over the period the awards are expected to vest. The expense was classified as compensation cost and recognized ratably over the period during which the individuals are required to provide service in exchange for the reward.

Guarantees

Guarantees issued by us, excluding those that are guaranteeing our own performance, are recognized at fair value at the time that the guarantees are issued and reported in "Other current liabilities" and "Other non-current liabilities". If it becomes probable that we will have to perform under a guarantee, we remeasure the liability if the amount of the loss can be reasonably estimated. The recognition of fair value is not required for certain guarantees such as the parent's guarantee of a subsidiary's debt to a third party. Financial guarantees written are assessed for credit losses and any allowance is presented as a liability for off-balance sheet credit exposures where the balance exceeds the collateral provided over the remaining instrument life. The allowance is assessed at the individual guarantee level, calculated by multiplying the balance exposed on default by the probability of default and loss given default over the term of the guarantee.

Note 3 - Recent Accounting Standards

1) Recently adopted accounting standards

We recently adopted the following accounting standard updates ("**ASUs**"):

a) ASU 2019-12 Income Taxes (Topic 740): Simplifying the accounting for income taxes

In December 2019, the FASB issued ASU 2019-12. The amendments in this Update simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. We adopted ASU 2019-12 effective January 1, 2021. The adoption of this guidance did not have a material impact on our consolidated financial statements.

b) ASU 2021-08 Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

We early adopted ASU 2021-08 effective July 1, 2021. Requires contract assets and liabilities (i.e., deferred revenue) acquired in a business combination to be recognized and measured on the acquisition date in accordance with ASC 606. This did not have a material impact on our financial statements.

c) ASU 2016-13 - Financial Instruments - Measurement of Credit Losses *(Also 2018-19, 2019-04 and 2019-11)*

In June 2016, the Financial Accounting Standards Board (the "FASB") issued ASU 2016-13 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and subsequent amendments, including ASU 2018-19, ASU 2019-04 and ASU 2019-11: Codification Improvements to Topic 326 "Financial Instruments-Credit Losses". Topic 326 replaces the incurred loss impairment methodology (that recognizes losses when a probable threshold is met) with a requirement to recognize lifetime expected credit losses (measured over the contractual life of the instrument) immediately, based on information about past events, current conditions and forecasts of future economic conditions. Under the CECL measurement financial assets are reflected at the net amount expected to be collected from the financial asset, CECL measurement is applicable to financial assets measured at amortized cost as well as off-balance sheet credit exposures not accounted for as insurance (including financial guarantees).

Seadrill adopted the requirements of Topic 326 in FY 2020. Reporting periods beginning after January 1, 2020 are presented under Topic 326 while comparative periods continue to be reported in accordance with previously applicable GAAP and have not been restated. The allowance for credit losses is presented as a deduction from the asset's amortized cost (or liability for off-balance sheet exposures) and the net balance shown on the Consolidated Balance Sheet with associated credit loss expense in the Consolidated Statement of Operations.

The CECL allowance related primarily to subordinated loan receivables due from related parties (refer to Note 27 - "Related party transactions"). Our external customers are mostly international or national oil companies with high credit standing. We have historically had a very low incidence of credit losses from these customers. Therefore, adoption of the new guidance has not had a material impact on receivables due from our customers.

d) Other accounting standard updates

We additionally adopted the following accounting standard updates in the year which did not have any material impact on our Consolidated Financial Statements and related disclosures:

- *ASU 2020-01 - Clarifying the interactions between Topic 321, Topic 323 and Topic 815*
- *ASU 2020-08 - Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs*
- *ASU 2020--9 - Debt (Topic 470): Amendments to SEC Paragraphs Pursuant to SEC Release No. 33-10762*
- *ASU 2020-10 - Codification Improvements*
- *ASU 2020-11 - Financial Services—Insurance (Topic 944): Effective Date and Early Application*

2) Recently issued accounting standards

Recently issued ASUs by the FASB that we have not yet adopted but which could affect our Consolidated Financial Statements and related disclosures in future periods:

a) ASU 2020-04 Reference Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting

In March 2020, the FASB issued ASU 2020-04. The amendments provide temporary optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The applicable expedients for us are in relation to modifications of contracts within the scope of Topics 310, Receivables, 470, Debt, and 842, Leases. This optional guidance may be applied prospectively from any date beginning March 12, 2020 and cannot be applied to contract modifications that occur after December 31, 2022. We are in the process of evaluating the impact of this standard update on our consolidated financial statements and related disclosures.

b) ASU 2021-04 Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options

The FASB issued this update to clarify and reduce diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. We do not anticipate this will have a material impact on our financial statements.

c) ASU 2021-05 Leases (Topic 842) Lessors-Certain Leases with Variable Lease Payments

The amendments in this Update affect lessors with lease contracts that (1) have variable lease payments that do not depend on a reference index or a rate and (2) would have resulted in the recognition of a selling loss at lease commencement if classified as sales-type or direct financing. We do not anticipate this will have a material impact on our financial statements.

d) ASU 2021-10 Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance.

The FASB issued this Update to increase the transparency of government assistance including the disclosure of (1) the types of assistance, (2) an entity's accounting for the assistance, and (3) the effect of the assistance on an entity's financial statements. We do not anticipate this will have a material impact on our financial statements.

e) Other accounting standard updates issued by the FASB

As of April 29, 2022, the FASB have issued several further updates not included above. We do not currently expect any of these updates to affect our Consolidated Financial Statements and related disclosures either on transition or in future periods.

Note 4 - Chapter 11

Summary

On February 22, 2022, Seadrill concluded its comprehensive restructuring process and emerged from Chapter 11 bankruptcy protection. The following major changes to Seadrill's capital structure were achieved through the restructuring:

1. Additional $350 million of liquidity raised;
2. Obligations under external credit facilities decreased from $5,662 million to $683 million of reinstated debt with maturity in 2027;
3. Future obligations under finance lease arrangements in respect of the *West Taurus*, *West Hercules* and *West Linus* substantially eliminated; and
4. Elimination of guarantees previously provided to holders of the senior notes previously issued by the NSNCo group.

Seadrill emerged from bankruptcy with cash of $486 million, of which $335 million was unrestricted and $151 million was restricted. Seadrill also had $125 million undrawn on its new revolving credit facility which together with the unrestricted cash provided $460 million of liquidity to the Successor company. Following emergence, Seadrill had total debt obligations of $908 million. This comprised $683 million outstanding on reinstated credit facilities; $175 million drawn on its new term loan; and a $50 million convertible bond. This left the Successor company with net debt of $422 million after adding back its post-emergence cash.

In order to substantially eliminate future commitments under capital lease arrangements with SFL Corporation Ltd ("**SFL**"), Seadrill rejected the *West Taurus* lease through the bankruptcy court in early 2021 and negotiated amendments to the leases of *West Hercules* and *West Linus* in August 2021 and February 2022, respectively. The amended leases for *West Hercules* and *West Linus* are short term and we expect to deliver both rigs back to SFL in 2022. In addition to reducing the lease terms, the lease amendments extinguished Seadrill's obligations to purchase the units at the end of the leases (amongst other changes).

As part of Seadrill's wider process, NSNCo, the holding company for investments in SeaMex, Seabras Sapura, and Archer, concluded a separate restructuring process on January 20, 2022. The restructuring was achieved using a pre-packaged chapter 11 process and had the following major impacts:

1. Holders of the senior secured notes issued by NSNCo ("**notes**", **"noteholders**") released Seadrill from all guarantees and securities previously provided by Seadrill in respect of the notes;
2. Noteholders received a 65% equity interest in NSNCo with Seadrill's equity interest thereby decreasing to 35% and
3. Reinstatement in full of the notes on amended terms.
4. Related to the NSNCo restructuring, the noteholders also financed a restructuring of the bank debt of the SeaMex joint venture. This enabled NSNCo to subsequently acquire a 100% equity interest in the SeaMex joint venture by way of a credit bid, which was executed on November 2, 2021.

In the sections below, we have provided a detailed account of the comprehensive restructuring process.

Background and Objectives

i. Macro-economic background and impact of COVID-19

Since the mid-2010s, the industry had experienced a sustained decline in oil prices which had culminated in an industry-wide supply and demand imbalance. During this period, market day rates for drilling rigs were lower than was anticipated when the debt associated with acquiring our rigs was incurred. This challenging business climate was further destabilized by challenges that arose due to the COVID-19 pandemic. The actions taken by governmental authorities around the world to mitigate the spread of COVID-19, had a significant negative effect on oil consumption. This led to a further decrease in the demand for our services and had an adverse impact on our business and financial condition.

After the global impact of this pandemic, the global offshore rig market has experienced a recovery, at least in utilization, in many regions. The price of Brent crude has risen and stabilized at more than $90 over the past several months before increasing to over $100. Additionally, oil companies and rig owners have mostly managed to navigate through many of the logistical hurdles posed by the COVID-19 pandemic. Drilling programs that had been postponed have now begun or are back on schedule. As a result, the number of contracted rigs has rebounded, and fleet utilization (jack ups, semi-submersibles and drillships) is nearing March 2020 pre-pandemic levels. Dayrates for some rig types in certain regions, such as for US Gulf of Mexico drillships, have risen dramatically. Conversely, dayrates for rigs in other regions have remained stagnant or only risen modestly.

ii. Default on senior debt obligations and other commitments in 2020

Since the end of 2019, we had been working with senior creditors to provide a solution to Seadrill's high cash outflow for debt service and potential future breaches of liquidity covenants by converting certain interest payments under our credit facilities to payment-in-kind ("**PIK**") interest and by deferring certain scheduled amortization payments. In our 2020 first quarter earnings release, published on June 2, 2020, we announced that we would no longer proceed with efforts to obtain bank consent for a short-term solution and had instead appointed financial

advisors to evaluate comprehensive restructuring alternatives to reduce debt service costs and overall indebtedness. We further stated that a comprehensive restructuring may require a substantial conversion of Seadrill's indebtedness to equity.

In September 2020, we did not pay interest on our secured credit facilities, which constituted an event of default. This triggered cross-default covenants for the senior secured notes, guarantee facility agreement and leasing agreements in respect of the *West Hercules*, *West Linus* and *West Taurus (**"SFL rigs"**)*. As a result, we entered into forbearance agreements with certain creditors in respect of our senior secured credit facility agreements, senior secured notes, and guarantee facility agreement. Pursuant to these agreements the creditors agreed not to exercise any voting rights, or otherwise take actions, in respect of the default.

In October 2020 we did not make the required charter payments due on the leasing arrangements for the SFL rigs. This constituted an event of default under the leasing agreements. From November 2020, we restarted making partial payments based on a percentage of the total due in return for SFL granting us permission to use certain restricted cash balances to cover operating costs of the SFL rigs.

In December 2020, after triggering an additional event of default through not paying interest on our secured credit facilities, we entered into a further forbearance agreement with certain creditors. On January 15, 2021, we did not make the semi-annual cash interest payment due on our senior secured notes. The forbearance agreements ended on January 29, 2021.

The events of default in September 2020 and December 2020 due to non-payment of interest on our senior credit facilities and further violation of the cross-default covenant for the Senior Secured Notes, meant that the debt was callable on demand and therefore classified as current in our December 31, 2020 balance sheet. The scheduled interest and fees were converted to loan principal tranches and incurred payment-in-kind interest at their original rates plus an additional 2%.

iii. Three objectives of the comprehensive restructuring

Seadrill's largest debt obligation at the petition date was the $5.7 billion owed to lenders under its senior credit facilities. The primary objective of the restructuring was to enter an agreement with stakeholders to provide new liquidity and to substantially decrease liabilities under these facilities through the issuance of new equity.

In addition, as of the petition date, Seadrill was committed to $1.1 billion in aggregate lease obligations under the arrangements for SFL rigs. As these lease arrangements were not considered sustainable under a new capital structure, the rejection or restructuring of these lease obligations was considered an integral part of obtaining the requisite level of creditor approval in support of the Plan.

Following Seadrill's previous restructuring on July 2, 2018, NSNCo had issued 12.0% senior secured notes due July 2025, of which $0.5 billion remained outstanding as of the petition date. Seadrill held 100% of the equity interest in NSNCo and had provided guarantees over its debt obligations. One of the key terms of the restructuring was to negotiate the release by the Noteholders of all existing guarantees and security and claims with respect to Seadrill Limited and its subsidiaries. This was likely to involve the disposal of part of Seadrill's equity interest in the NSNCo group.

Seadrill Chapter 11 Process

i. Introduction and Chapter 11 filing

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code. The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Following the defaults in 2020, and expiry of forbearance agreements described above, **the Debtors** filed voluntary petitions for reorganization under the **Chapter 11 Proceedings** in the Bankruptcy Court on February 7, 2021 and February 10, 2021. These filings triggered a stay on enforcement of remedies with respect to our debt obligations.

These filings excluded the NSNCo group, with Seadrill and NSNCo noteholders continuing to negotiate a refinancing outside of bankruptcy.

ii. Plan of Reorganization

Consummating a chapter 11 plan is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other entity as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtor's liabilities in accordance with the terms of the confirmed plan.

On July 23, 2021, the Company entered into a Plan Support and Lock-Up Agreement (the "**Plan Support Agreement**") with the Company, the Company Parties, certain Holders of Claims under the Company's Credit Agreements, and Hemen. On July 24, 2021, the Company filed the first versions of the Joint Chapter 11 Plan of Reorganization and Disclosure Statement. On August 31, 2021, the Company filed the First Amended Plan of Reorganization and the First Amended Disclosure Statement (the "**Disclosure Statement**") and on September 2, 2021, the Court approved the First Amended Disclosure Statement (as Modified) and the solicitation of the Plan of Reorganization. On October 11, 2021, the Company's creditor classes voted to accept the plan of reorganization. On October 26, 2021, Seadrill's Plan of Reorganization was confirmed by the U.S. Bankruptcy Court for the Southern District of Texas.

iii. Amendment to terms of existing facilities

As of the Petition Date, the Debtors were liable for approximately $6.2 billion in aggregate funded debt obligations. These obligations included $5.7 billion due under 12 Prepetition Credit Facilities (silos) and $0.5 billion due under the NSNCo Secured Notes. Seadrill Limited was a guarantor under all 12 Prepetition Credit Facilities and the Notes. The facilities were secured by, among other things, (a) a first priority, perfected mortgage in one or more of the Debtors' drilling rigs, (b) guarantees from the applicable rig-owning entities and intra-group charterers. No financial institution possessed a blanket lien over the Debtors' entire fleet. Instead, the Prepetition Credit Facilities were secured by non-overlapping subsets of the Debtors' rigs.

The Plan, among other things, provided that holders of Allowed Credit Agreement Claims would (a) receive $683 million (adjusted for AOD cash out option) of take-back debt (amortizing beginning in March 2023, with a maturity date of December 2026 and margin of LIBOR + 5% cash-pay + 7.5% PIYC) whereby Seadrill either pays the PIYC interest in cash or the equivalent amount is capitalized as principal outstanding (dependent on certain conditions set out in the facility agreement) and (b) be entitled to participate in a $300 million new-money raise under the New First Lien Facility, and (c) receive 83 percent of equity in Reorganized Seadrill, subject to dilution by the Management Incentive Plan and the Convertible Bond Equity, on account of their Allowed Credit Agreement Claims, and 16.75 percent of equity in Reorganized Seadrill if such holders elected to participate in the Rights Offering (including the Backstop Parties).

iv. Rights offering and backstop of new $300m facility

In bankruptcy, a rights offering allows a debtor to offer creditors or equity security holders the right to purchase equity in the post-emergence company. In a rights offering, debtors grant subscription rights to a class (or classes) of creditors (or equity holders) in conjunction with the chapter 11 plan of reorganization. Rights offerings function as a source of exit financing, allowing debtors to raise capital to fund emergence costs and plan distributions, or to ensure that the company has sufficient liquidity post-emergence in a de-leveraged capital structure. Nearly all rights offerings are fully backstopped pursuant to agreements between the backstop party (or parties) and the debtors. Under a backstop agreement, backstop parties commit to purchase a certain amount of securities offered under the plan and to purchase additional securities if the issuance is under-subscribed, receiving additional securities in exchange for their agreement to backstop a rights offering.

Holders of the Subscription Rights, which include the Backstop Parties, received the right to lend up to $300 million under the New First Lien Facility in accordance with and pursuant to the Plan, the Rights Offering Procedures, the Backstop Commitment Letter, and the New Credit Facility Term Sheet. Rights Offering Participants also received, in consideration for their participation in the Rights Offering, 12.5% (the "**Rights Offering Percentage**") of the issued and outstanding New Seadrill Common Shares as of the Effective Date (subject to dilution by the Management Incentive Plan and the Convertible Bond Equity). The New First Lien facility is structured as (i) $175 million term loan and (ii) $125 million revolving credit facility (RCF). The term loan facility bears interest at a margin of 7% per annum plus a compounded risk-free rate (and any applicable credit adjustment spread). The RCF bears interest at a margin of 7% per annum plus a compounded risk-free rate (and any applicable credit adjustment spread), and a commitment fee of 2.8% per annum is payable in respect to any undrawn portion of the RCF commitment.

As consideration for the Backstop Commitment of each Backstop Party, the Backstop Parties were issued the number of New Seadrill Common Shares equal to the sum of: (i) 12.50% minus the Rights Offering Percentage (if under-subscribed) plus (ii) 4.25% multiplied by the total number of New Seadrill Common Shares issued and outstanding on the Effective Date (subject to dilution by the MIP and the Convertible Bond Equity) (the "**Equity Commitment Premium**", and together with the foregoing clause, the "**Backstop Participation Equity**"); and (b) the Debtors paid in cash to the Backstop Parties a premium (the "**Commitment Premium**") equal to 7.50% of the $300 million in total commitments under the New First Lien Facility.

As at the Effective Date, the outstanding external debt is repayable as set out in the table below:

(In $ millions)	**2022**	**2023**	**2024**	**2025**	**2026 and thereafter**	**Total**
Total Debt Repayments (a)	0	40	40	40	788	908

(a) The repayment schedule is net of fees and assumes that all interest is paid in cash as opposed to any capitalized pay-if-you-can interest, as further outlined in the existing facility section above.

v. Hemen $50m convertible bond

$50 million convertible bonds with margin of LIBOR + 6% cash-pay and maturity date of March 2028 were issued to Hemen at par upon emergence. The bonds are convertible into the Conversion Shares in an amount equal to 5% of the fully-diluted ordinary shares. The principal amount of the Bonds is convertible (in full not part) into the Conversion Shares at the option of the Lender at any time during the Conversion Period, being the period from the earlier of (i) the date on which the Issuer's ordinary shares are listed and begin trading on the NYSE and (ii) the date on which the Issuer's ordinary shares are listed and begin trading on the OSE, Shares at the option of the Lender at any time during the Conversion Period.

vi. Emergence and new Seadrill equity allocation table

Seadrill met the requirements of the plan of reorganization and emerged from Chapter 11 on February 22, 2022. Companies emerging from chapter 11 qualify for fresh-start reporting if two conditions are met: (1) the reorganization value of the entity's assets is less than the total of all claims and post-petition liabilities; and (2) the holders of pre-confirmation voting shares will receive less than 50 percent of the voting shares upon emergence. Upon emergence from the Chapter 11 Proceedings, we expect to meet the requirements and will apply fresh start accounting to our financial statements in accordance with the provision set forth in ASC852. Entities that adopt fresh-start reporting must

assign the reorganization value to the entity's assets and liabilities in accordance with procedures specified in ASC 805. The guidance defines reorganization value as the value attributed to the reconstituted entity, as well as the expected net realizable value of those assets that will be disposed of before reconstitution occurs. Therefore, this value is viewed as the value of the entity before considering liabilities and it approximates the amount a willing buyer would pay for the assets of the entity immediately after the restructuring.

Under the Plan and prior to any equity dilution on conversion of the convertible bond, the Company issued 83.00% of the Company's equity to Class 4 Credit Agreement Claimants, 12.50% to the Rights Offering Participants, 4.25% to the Backstop Parties through the Equity Commitment Premium, and the remaining 0.25% to Class 9 predecessor shareholders.

The breakout shown below shows the equity allocation before and after the conversion of the convertible bond.

Recipient of Shares	Number of shares	% allocation	Equity dilution on conversion of convertible bond
Allocation to predecessor senior secured lenders	41,499,999	83.00 %	78.85 %
Allocation to new money lenders - holders of subscription rights	6,250,001	12.50 %	11.87 %
Allocation to new money lenders - backstop parties	2,125,000	4.25 %	4.04 %
Allocation to predecessor shareholders	124,998	0.25 %	0.24 %
Allocation to convertible bondholder	—	— %	5.00 %
Total shares issued on emergence	**49,999,998**	**100.00 %**	**100.00 %**

NSNCo Restructuring

i Introduction

As part of Seadrill's wider process, NSNCo, the holding company for investments in SeaMex, Seabras Sapura, and Archer, concluded a separate restructuring process on January 20, 2022. The restructuring was achieved using a pre-packaged chapter 11 process and had the following major impacts:

1. Holders of the senior secured notes issued by NSNCo released Seadrill from all guarantees and securities previously provided by Seadrill in respect of the notes;
2. Seadrill sells 65% of its equity interest in NSNCo to the holders of NSNCo senior secured notes. Seadrill's equity interest thereby decreasing to 35%; and
3. Reinstatement in full of the notes on amended terms.

Related to the NSNCo restructuring, the noteholders also financed a restructuring of the bank debt of the SeaMex joint venture. This enabled NSNCo to subsequently acquire a 100% equity interest in the SeaMex joint venture by way of a credit bid, which was executed on November 2, 2021.

As Seadrill lost its controlling interest in NSNCo through the sale of 65% of its equity interest on January 20, 2022 (the date the bankruptcy court heard the filing for NSNCo's prepackaged Chapter 11), we have presented the results of NSNCo, including the consolidated results of SeaMex from November 2021 onwards, as discontinued operations in Seadrill's financial statements for the period ended December 31, 2021. NSNCo's assets and liabilities have similarly been classified as held-for-sale in Seadrill's December 2021 balance sheet. All periods presented have been recast for this change.

ii. Purchase of SeaMex by NSNCo through credit bid

Credit bidding is a mechanism, whereby a secured creditor can 'bid' the amount of its secured debt, as consideration for the purchase of the assets over which it holds security. In effect, it allows the secured creditor to offset the secured debt as payment for the assets and to take ownership of those assets without having to pay any cash for the purchase.

On June 18, 2021, John C. McKenna of Finance & Risk Services Ltd and Simon Appell of AlixPartners UK LLP were appointed as joint provisional liquidators (the "**JPLs**") over SeaMex by an order of the Supreme Court of Bermuda. Further, the joint venture agreement governing the SeaMex joint venture between one of NSNCo's subsidiaries, Seadrill JU Newco Bermuda Ltd., and an investment fund controlled by Fintech was terminated with immediate effect.

On July 2, 2021, a restructuring support agreement ("**RSA**") was reached with the NSNCo Noteholders with regards to a comprehensive restructuring of the debt facility. A key step in the RSA was the sale of the assets of SeaMex out of provisional liquidation to a newly incorporated wholly owned subsidiary of NSNCo under a share purchase agreement. On November 2, 2022, the sale of assets of SeaMex to a subsidiary of NSNCo was completed.

Management determined that the Transaction qualified as a business combination under ASC 805 because (i) SeaMex as the acquiree met the definition of a business and (ii) NSNCo as the acquirer obtained control of SeaMex. As a result, the acquisition method was applied, and the identifiable assets acquired and liabilities assumed were recognized at fair value on the acquisition date. The consideration of the business combination was determined to be $0.4 billion, which is based on the value of various forms of debt instruments that were forgiven and were owed to NSNCo. The fair value of the net assets acquired equaled the amount of the purchase consideration and no amount was ascribed to

goodwill nor bargain purchase. A gain was recognized in discontinued operations in connection with the step acquisition of SeaMex by NSNCo and relates primarily to the reversal of previously established expected credit loss allowances against loans previously advanced by the NSNCo Group to the SeaMex joint venture. The book value of the equity method investment was nil prior to the acquisition date.

We assessed whether SeaMex qualified as held-for-sale upon the acquisition. SeaMex, being a subsidiary of NSNCo, also meets the HFS criteria on the acquisition date and will be reported in discontinued operations as of December 31, 2021 measured at its carrying value, as it is less than the fair value less cost to sell.

iii. NSNCo Sale

NSNCo filed a pre-packaged bankruptcy that was heard on January 12, 2022 in a separate petition filing from Seadrill in the U.S. Bankruptcy Court for the Southern District of Texas. On January 20, 2022, NSNCo emerged from bankruptcy, having implemented the terms of the RSA described above.

On a Seadrill consolidated group basis, the assets, liabilities, and equity of NSNCo will be derecognized as at the date of sale, when control is lost, on January 20, 2022 (the date the court heard the filing for the pre-packaged bankruptcy), with any gain or loss on disposal being recognized. Upon NSNCo's emergence date, Seadrill will retain a 35% interest in NSNCo, which will be recognized as an equity method investment.

Management determined that it meets the criteria for being held-for-sale ("**HFS**") as of December 31, 2021 and represent a strategic-shift resulting in discontinued operations reporting on Seadrill's financial statements for reporting on the Form 20-F.

Renegotiation of leases with SFL

SFL is a company that owns and charters shipping vessels in the tanker, bulker, container and offshore segments. Since 2013, Seadrill had entered into sale and leaseback arrangements with certain subsidiaries of SFL (SFL Hercules Ltd., SFL Deepwater Ltd. and SFL Linus Ltd. Under those arrangements, the semi-submersible rigs *West Taurus* and *West Hercules* and the jack-up rig *West Linus* were leased to certain fully owned Seadrill entities under long term charter agreements (collectively, the "**Prepetition SFL Charters**").

The original charters had been accounted for as failed sale leasebacks due to contractual call options and purchase obligations, resulting in the rigs being kept on balance sheet. As they were treated as financing transactions, this resulted in the recognition of financial liabilities to SFL held at fair value on initial recognition (upon deconsolidation of the ship finance VIEs in 2020). The Chapter 11 Proceedings afforded Seadrill the option to reject or amend the leases.

Shortly after the Petition Date, the Debtors sought court authority to reject the Prepetition Taurus Charter and abandon certain related personal property. On March 9, 2021, the *West Taurus* lease rejection motion was approved by the Bankruptcy Court, and the rig was redelivered to SFL in April 2021, in accordance with the *West Taurus* settlement agreement. The lease termination led to a remeasurement of the outstanding amounts due to SFL held within liabilities subject to compromise to claim value, resulting in a $186 million loss within "Reorganization items, net" on the Consolidated Statement of Operations in 2021.

On August 27, 2021, the Bankruptcy Court of the Southern District of Texas entered an approval order for an amendment to the original SFL Hercules Charter, whereby Seadrill would pay a lower charter hire and whereby the expiry of the SFL Charter would mirror the completion of work under the Equinor (Canada) Contract in October 2022 (subject to extension, if Equinor exercises certain options rights). The amended charter is accounted for as an operating lease, resulting in the recognition of a ROU asset and an associated lease liability. The removal of the call options and purchase obligations meant that sale recognition was no longer precluded. The rig asset and finance liability to SFL were derecognized in 2021, resulting in a $10 million non-cash gain within "Reorganization items, net" on the Consolidated Statement of Operations in 2021.

On February 18, 2022, Seadrill signed a transition agreement with SFL pursuant to which the *West Linus* rig will be redelivered to SFL upon assignment of the ConocoPhillips drilling contract to SFL. The interim transition bareboat agreement with SFL will see Seadrill continuing to operate the *West Linus* until the rig is handed back to SFL and a new Manager, Odfjell, for a period of time estimated to last approximately 6 to 9 months from Seadrill's emergence. The amendment charter no longer contains a purchase obligation and will therefore result in the derecognition of the rig asset of $175 million and liability of $158 million at emergence from Chapter 11 on February 22, 2022. The interim transition bareboat agreement will be accounted for as a short-term operating lease.

Detailed timeline

We have provided a detailed timeline covering the core events of the restructuring process below.

September 2020 - We did not pay interest on our secured credit facilities, which constituted an event of default. This triggered cross-default covenants for the senior secured notes, guarantee facility agreement and leasing agreements in respect of the *West Hercules*, *West Linus* and *West Taurus*. As a result, we entered into forbearance agreements with certain creditors in respect of our senior secured credit facility agreements, senior secured notes, and guarantee facility agreement.

December 2020 - After triggering an additional event of default through not paying interest on our secured credit facilities, we entered into a forbearance agreement with certain creditors. Pursuant to this agreement, the consenting creditors had agreed not to act until January 29, 2021 in respect of certain events of default that may have arisen under nine of our twelve senior secured credit facility agreements, as a result of the group not making certain interest payments.

January 2021 - We did not make the semi-annual cash interest payment due on our senior secured notes.

February 7, 2021 and ***February 10, 2021*** - Seadrill Limited and the majority of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas.

March 2021 - The *West Taurus* lease rejection motion was approved by the Bankruptcy Court.

April 2021 – The *West Taurus* rig was redelivered to SFL

June 2021 – John C. McKenna of Finance & Risk Services Ltd and Simon Appell of AlixPartners UK LLP were appointed as joint provisional liquidators over SeaMex by an order of the Supreme Court of Bermuda to maximize value for creditors and other stakeholders.

July 2, 2021 – A restructuring support agreement was reached with the NSNCo Noteholders with regards to a comprehensive restructuring of the debt facility.

July 9, 2021 - NSNCo concluded a solicitation process 80% of the principal noteholders approving amendments to the indenture governing the Notes.

July 23, 2021 - The Company entered into a Plan Support and Lock-Up Agreement with the Company, the Company Parties, certain Holders of Claims under the Company's Credit Agreements, and Hemen.

July 24, 2021 - The Company filed the first versions of the Joint Chapter 11 Plan of Reorganization and Disclosure Statement.

August 27, 2021 - The Bankruptcy Court of the Southern District of Texas entered an approval order for an amendment to the original SFL Hercules Charter.

August 31, 2021 - The Company filed the First Amended Plan of Reorganization and the First Amended Disclosure Statement (the "**Disclosure Statement**").

September 2, 2021 - The Court approved the First Amended Disclosure Statement and the solicitation of the Plan of Reorganization.

October 11, 2021 - The Company's creditor classes voted to accept a court confirmed plan.

October 26, 2021 - Seadrill's Plan of Reorganization was confirmed by the U.S. Bankruptcy Court for the Southern District of Texas.

November 2, 2021 – The sale of SeaMex to a subsidiary of NSNCo was completed.

Subsequent Events

January 11, 2022 – NSNCo filed for a pre-packaged bankruptcy in a separate petition filing from Seadrill in the U.S. Bankruptcy Court for the Southern District of Texas.

January 20, 2022 – Sale of 65% of NSNCo following emergence from its pre-packaged chapter 11 process.

February 18, 2022 - Seadrill signed a short-term transition agreement with SFL, whereby Seadrill will continue to operate the *West Linus* until the rig is handed back to SFL.

February 22, 2022 - Seadrill concluded its comprehensive restructuring process and emerged from Chapter 11 bankruptcy protection.

Other matters

i. Liabilities subject to compromise

Liabilities subject to compromise distinguish pre-petition liabilities which may be affected by the Chapter 11 proceedings from those that will not. The liabilities held as subject to compromise are disclosed on a separate line on the consolidated balance sheet.

Liabilities subject to compromise, as presented on the Consolidated Balance Sheet as at December 31, 2021, include the following:

(In $ millions)	**December 31, 2021**
Senior under-secured external debt	5,662
Accounts payable and other liabilities	36
Accrued interest on external debt	34
Amount due to related party	503
Liabilities subject to compromise	**6,235**

ii. Interest expense

The Debtors have discontinued recording interest on the under-secured debt facilities from the Petition Date, in line with the guidance of ASC 852-10, Reorganizations. Contractual interest on liabilities subject to compromise not reflected in the Consolidated Statement of Operations was $298 million. Interest continued to be recognized on the Notes in 2021 as NSNCo did not file for chapter 11 until January 2022. Refer to Note 10 – Interest expense to the Consolidated Financial Statements included herein for more information regarding interest expense.

iii. Reorganization items, net

Incremental costs incurred directly as a result of the bankruptcy filing and any gains or losses on adjustment to the expected allowed claim value under the plan of reorganization are classified as "Reorganization items, net" in the Consolidated Statement of Operations. The following table summarizes the reorganization items recognized in the year ended December 31, 2021:

(In $ millions)	**Year ended December 31, 2021**
Advisory and professional fees after filing	(127)
Remeasurement of terminated lease to allowed claim	(186)
Interest income on surplus cash	3
Total reorganization items, net	**(310)**

iv. Condensed Combined Debtors Financial Statements

When one or more entities in the consolidated group are in bankruptcy and one or more entities in the consolidated group are not in bankruptcy, the reporting entity is required to disclose the condensed combined financial statements of only the entities in bankruptcy ("**debtor in possession**" or "**DIP**").

The reclassification of the NSNCo group to discontinued operations has resulted in the continuing operations elements of Seadrill's financial statements being aligned to the combined financial statements of only the entities in bankruptcy, aside from the exceptions noted below. Separately presented DIP results would include:

- a $24 million reduction in current restricted cash, to $136 million, and an $8 million reduction in unrestricted cash, to $304 million, due to cash held by entities not in bankruptcy;
- the recognition of current and non-current intra-group receivables due to DIP from entities not in bankruptcy of $21 million and $9 million respectively;
- additional intra-group liabilities subject to compromise of $8 million owed by DIP to entities not in bankruptcy; and
- an additional $4 million net cash outflows from changes in the above assets.

As such, we have not separately presented Condensed Combined Financial Statements of the entities that filed for bankruptcy.

Note 5 – Current expected credit losses

The CECL model applies to our external trade receivables and related party receivables. Our external customers are international oil companies, national oil companies and large independent oil companies. The following table summarizes the movement in the allowance for credit losses for the year ended December 31, 2021.

(In $ millions)	**Allowance for credit losses - other current assets**	**Allowance for credit losses - related party ST**	**Allowance for credit losses related party LT**	**Total Allowance for credit losses**
January 1, 2020	—	9	—	**9**
Credit loss expense	3	139	2	**144**
December 31, 2020	3	148	2	**153**
Credit loss expense	—	36	(2)	**34**
Write-off[1][2]	(3)	(183)	—	**(186)**
December 31, 2021	—	**1**	—	**1**

[1] In April 2021 we signed a settlement agreement with Aquadrill (formerly Seadrill Partners) which waived all claims on pre-petition positions held and resulted in a write-off of $54 million of trading receivables.

[2] Following the cancellation of the Wintershall contract, a settlement agreement was reached with Northern Ocean to extinguish all outstanding claims. The agreement became effective in December 2021 resulting in the write-off of $129 million of trading receivables and $3 million of reimbursement receivables.

The below table shows the classification of the credit loss expense within the Consolidated Statements of Operations.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020
Management contract expenses	36	142
Other financial items	(2)	2
Total	**34**	**144**

Changes in expected credit loss allowance for external and related party trade receivables are included in operating expenses, while changes in the allowances for related party loan receivables are included in other financial items. The decrease in the allowance for the year ended December 31, 2021 was due to the write-off of Northern Ocean and Aquadrill balances following settlement agreements. Refer to Note 27 – "Related party transactions" for details. There is no expected credit loss allowance on the SeaMex trade receivables and loan balances as they were expected to be settled shortly after emergence from Chapter 11. Both the trading and loan balances were fully settled in March 2022.

Note 6 – Segment information

We use the management approach to identify our operating segments. We identified the Board of Directors as the Group's Chief Operating Decision Maker ("**CODM**") which regularly reviews internal reports when making decisions about allocation of resources to segments and in assessing their performance.

We have the following three reportable segments:

1. *Harsh environment*: Includes contract revenues, management contract revenue, reimbursable revenue and associated expenses for harsh environment semi-submersible and jack-up rigs.
2. *Floaters*: Includes contract revenues, management contract revenue, reimbursable revenue and associated expenses for benign environment semi-submersible rigs and drillships.
3. *Jack-ups*: Includes contract revenues, management contract revenue, reimbursable revenue and associated expenses for benign environment jack-up rigs.

Segment results are evaluated on the basis of operating income and the information presented below is based on information used for internal management reporting. The remaining incidental revenues and expenses not included in the reportable segments are included in the "other" reportable segment.

The below section splits out total operating revenue, depreciation, amortization of intangibles, operating net loss, drilling units and capital expenditures by segment:

Total operating revenue

Operating revenues consist of contract revenues, reimbursable revenues, management contract revenues and other revenues. The segmental analysis of operating revenues is shown in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	495	526	510
Floaters	363	358	625
Jack-up rigs	139	157	229
Other	11	18	24
Total	**1,008**	**1,059**	**1,388**

Depreciation

We record depreciation expense to reduce the carrying value of drilling unit and equipment balances to their residual value over their expected remaining useful economic lives. The segmental analysis of depreciation is shown in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	73	93	125
Floaters	37	176	224
Jack-up rigs	44	48	48
Other	1	29	29
Total	**155**	**346**	**426**

Amortization of intangibles

We record amortization of favorable and unfavorable contracts over the remaining lives of the contracts. The segmental analysis of amortization is shown in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	—	1	—
Floaters	—	—	105
Jack-ups	—	—	29
Total	**—**	**1**	**134**

Impairment of drilling units and intangible assets

We review the carrying value of our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be appropriate. The segmental analysis of impairment is shown in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	152	419	—
Floaters	—	3,555	—
Jack-ups	—	86	—
Other	—	48	—
Total	**152**	**4,108**	**—**

Operating net loss

The segmental analysis of operating net losses is shown in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
		(As adjusted)	*(As adjusted)*
Harsh environment	(138)	(396)	(69)
Floaters	(21)	(3,781)	(201)
Jack-ups	16	(87)	(2)
Other	(14)	(218)	(23)
Operating loss	**(157)**	**(4,482)**	**(295)**
Unallocated items:			
Total financial items and other	(430)	38	(465)
Loss before income taxes	**(587)**	**(4,444)**	**(760)**

Drilling assets - Total assets

The segmental analysis of drilling assets and total assets is shown in the table below.

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Harsh environment rigs	709	1,032
Floaters	524	528
Jack-up Rigs	544	560
Total Drilling Units	**1,777**	**2,120**
Unallocated items:		
Investments in associated companies	27	24
Assets held for sale	1,103	685
Cash and restricted cash	535	659
Other assets	437	473
Total assets	**3,879**	**3,961**

Drilling units - Capital expenditures [(1)]

The segmental analysis of capital expenditures is shown in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Harsh environment	30	26	34
Floaters	35	110	111
Jack-ups	28	12	17
Total	**93**	**148**	**162**

(1) Capital expenditure includes long term maintenance projects.

Geographic segment data

Revenues

Revenues are attributed to geographical segments based on the country of operations for drilling activities, i.e. the country where the revenues are generated. The following presents our revenues and fixed assets by geographic area:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Norway	486	480	469
Angola	125	89	215
Brazil	121	51	137
United States	105	107	74
Saudi Arabia	100	98	130
Nigeria	—	—	198
Others [1]	71	234	165
Total Revenue	**1,008**	**1,059**	**1,388**

[1] Other countries represent countries in which we operate that individually had revenues representing less than 10% of total revenues earned for any of the periods presented.

Fixed assets – drilling units [1]

Drilling unit fixed assets by geographic area based on location as at end of the year are as follows:

(In $ millions)	December 31, 2021	December 31, 2020
Norway	710	1,044
Saudi Arabia	224	234
Brazil	169	79
Qatar	156	151
Malaysia	126	185
USA	92	87
Spain	47	49
Others [2]	253	291
Total	**1,777**	**2,120**

[1] Asset locations at the end of a period are not necessarily indicative of the geographic distribution of the revenues or operating profits generated by such assets during such period.

[2] Other countries represent countries in which we operate that individually had fixed assets representing less than 10% of total fixed assets for any of the periods presented.

Major customers

In the years ended December 31, 2021, 2020 and 2019, we had the following customers with total revenues greater than 10% in any of the years presented:

	Segment	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
ConocoPhillips	Harsh Environment	17 %	16 %	11 %
Equinor	Harsh Environment	13 %	12 %	16 %
Saudi Aramco	Jack-ups	10 %	9 %	10 %
Lundin	Floaters	12 %	2 %	— %
Northern Ocean	Harsh Environment	3 %	12 %	12 %
TotalEnergies	Floaters	— %	4 %	18 %
Other		45 %	45 %	33 %
Total		**100 %**	**100 %**	**100 %**

Note 7 - Revenue from contracts with customers

The following table provides information about receivables, contract assets and contract liabilities from our contracts with customers:

(In $ millions)	December 31, 2021	December 31, 2020
Accounts receivable, net	169	125
Current contract liabilities (deferred revenues) [(1)]	(25)	(18)
Non-current contract liabilities (deferred revenues) [(1)]	(10)	(13)

[(1)] Current contract assets and liabilities balances are included in “Other current assets” and “Other current liabilities,” respectively in our Consolidated Balance Sheets as at December 31, 2021.

Significant changes in the contract assets and the contract liabilities balances during the year ended December 31, 2020 were as follows:

(In $ millions)	Contract Assets	Contract Liabilities	Net Contract Balances
Net contract liability at January 1, 2020	**—**	**(29)**	**(29)**
Amortization of revenue that was included in the beginning contract liability balance	—	23	23
Cash received, excluding amounts recognized as revenue	—	(25)	(25)
Net contract liability at December 31, 2020	**—**	**(31)**	**(31)**

Significant changes in the contract assets and the contract liabilities balances during the year ended December 31, 2021 are as follows:

(In $ millions)	Contract Assets	Contract Liabilities	Net Contract Balances
Net contract liability at January 1, 2021	**—**	**(31)**	**(31)**
Amortization of revenue that was included in the beginning contract liability balance	—	24	24
Cash received, excluding amounts recognized as revenue	—	(28)	(28)
Net contract liability at December 31, 2021	**—**	**(35)**	**(35)**

The deferred revenue balance of $25 million reported in "Other current liabilities" at December 31, 2021 is expected to be realized within the next twelve months and the $10 million reported in "Other non-current liabilities" is expected to be realized within the following twelve months. The deferred revenue consists primarily of mobilization and upgrade revenue for both wholly and partially unsatisfied performance obligations as well as expected variable mobilization and upgrade revenue for partially unsatisfied performance obligations, which has been estimated for purposes of allocating across the entire corresponding performance obligations.

Note 8 – Other revenues

Other revenues consist of the following:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Leasing revenues [i]	26	19	1
Early termination fees [ii]	6	11	11
Total other revenues	**32**	**30**	**12**

i. Leasing revenues

Revenue earned on the charter of the *West Castor, West Telesto* and *West Tucana* to Gulfdrill, one of our related parties. Refer to Note 27 – "Related party transactions" for further details.

ii. Early termination fees

Early termination fees were received in 2021 for the *West Bollsta,* in 2020 for the *West Gemini* and in 2019 for the *West Jupiter* and *West Castor*.

Note 9 – Other operating items

Other operating items consist of the following:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Impairment of long lived assets [i]	(152)	(4,087)	—
Impairment of intangibles [ii]	—	(21)	—
Gain on disposals [iii]	47	15	—
Other operating income [iv]	54	9	39
Total other operating items	**(51)**	**(4,084)**	**39**

i. Impairment of long lived assets

In June 2021, the *West Hercules* was impaired by $152 million. Refer to Note 11 – "Loss on impairment of long-lived assets" for further details.

In 2020, we determined the global impact of the COVID-19 pandemic, and continued down cycle in the offshore drilling industry, were indicators of impairment on certain assets. Following assessments of recoverability in March 2020 and December 2020, we recorded total impairment charges of $4,087 million against our drilling fleet.

ii. Impairment of intangibles

On December 1, 2020, Seadrill Partners announced it had filed a voluntary petition under Chapter 11. Under Chapter 11 we were required to continue to provide the management services only at market rate. We concluded that we no longer had a favorable contract and the intangible asset relating to Seadrill Partners was fully impaired.

iii. Gain on disposals

Following the impairments recognized in 2020, Seadrill disposed of seven rigs in 2021, and one rig in 2020, all of which had previously been impaired in full. The full consideration, less costs to sell, was recognized as a gain.

iv. Other operating income

Other operating income consist of the following:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Pre-petition liabilities write-off *(a)*	27	—	—
War risk insurance rebate *(b)*	22	—	—
Loss of hire insurance settlement *(c)*	2	9	10
Receipt of overdue receivable *(d)*	—	—	26
Other	3	—	3
Total other operating income	**54**	**9**	**39**

a) Prepetition liabilities write-off

Write-off of prepetition lease liabilities to Northern Ocean for the *West Bollsta* of $19 million and pre-petition liabilities to Aquadrill of $8 million following settlement agreements reached in 2021.

b) War risk insurance rebate

Receipt of $22 million distribution from The Norwegian Shipowners' Mutual War Risks Insurance Association ("**DNK**"), representing a rebate of past premium paid.

c) Loss of hire insurance settlement

Settlement of a claim on our loss of hire insurance policy following an incident on the *Sevan Louisiana.*

d) Receipt of overdue receivables

Receipt of overdue receivables in 2019 which had not been recognized as an asset as part of fresh start accounting.

Note 10 – Interest expense

Interest expense consists of the following:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
		(As adjusted)	*(As adjusted)*
Cash interest on debt facilities [(a)]	(25)	(266)	(374)
Interest on SFL leases [(b)]	(84)	(12)	—
Unwind of discount debt	—	(44)	(47)
Write off of discount on debt [(c)]	—	(87)	—
Interest expense	**(109)**	**(409)**	**(421)**

(a) Cash interest on debt facilities

We incur cash and payment-in-kind interest on our debt facilities. This is summarized in the table below.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
		(As adjusted)	*(As adjusted)*
Senior credit facilities and unsecured bonds	(25)	(239)	(327)
Debt of consolidated variable interest entities	—	(27)	(47)
Cash interest	**(25)**	**(266)**	**(374)**

Our senior credit facilities incurred interest at LIBOR plus a margin. For periods after July 2, 2018, this margin increased by one percentage point following the emergence from the Previous Chapter 11 Proceedings. On February 7, 2021, after filing for Chapter 11, we recorded contractual interest payments against debt held as subject to compromise ("adequate protections payments") as a reduction to debt in the Consolidation Balance sheet and not as an expense to Consolidated Statement of Operations. For further information on our bankruptcy proceedings refer to Note 4 - Chapter 11 Proceedings of our Consolidated Financial Statements included herein.

(b) Interest on SFL Leases

In the fourth quarter of 2020 we deconsolidated the Ship Finance SPVs as we were no longer the primary beneficiary of the variable interest entities. Following the deconsolidation, we recognized the liability, and related interest expense, between Seadrill and the SPVs that was previously eliminated on consolidation.

(c) Write off of discount on debt

In September 2020 and December 2020, there were non-payments of interest on our secured credit facilities that constituted an event of cross-default. The event of default resulted in the expense of unamortized debt discount of $87 million in 2020.

Note 11 – Loss on impairment of long-lived assets

We review the carrying value of our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be appropriate.

In 2020, the significant decrease in the price of oil due to the actions of OPEC and its partners combined with the global impact of the COVID-19 pandemic resulted in expected decreases in utilization going forward and downward pressure on dayrates. We concluded that an impairment triggering event had occurred for our drilling unit fleet and, based on the results of further testing, recorded an impairment charge of $4.087 billion.

While there have been no further macro-economic indicators of impairment in 2021, with the oil price increasing by 50% from December 2020, changes to our forecast assumptions regarding the future of the *West Hercules* and *West Linus* have led us to conclude that an impairment triggering event has occurred for these two rigs.

During 2021, the undiscounted future net cash flows to be generated for Seadrill by the *West Hercules* and *West Linus* were revised due to anticipated changes in leasing arrangements that may result in the rigs being handed back to SFL before the end of their estimated useful lives. The revised undiscounted future net cash flows for the *West Hercules* were less than the rig's carrying value meaning that the "step one" or "asset recoverability" test was failed for that rig. Following this assessment, we recorded an impairment charge of $152 million to reduce the rig's book value to its estimated fair value, which we estimated using a discounted cash flow model. There was no impairment charge for the *West Linus* as it passed the asset recoverability test.

The impairment of $152 million for the year ended December 31, 2021 has been classified within "Impairment of long-lived assets" on our Consolidated Statement of Operations.

We derived the fair value of the rigs using an income approach based on updated projections of future dayrates, contract probabilities, economic utilization, capital and operating expenditures, applicable tax rates and asset lives. The cash flows were estimated over the remaining useful economic lives of the assets and discounted using an estimated market participant weighted average cost of capital "WACC" of 11.8%. To estimate these fair values, we were required to use various unobservable inputs including assumptions related to the future performance of our rigs as explained above. We based all estimates on information available at the time of performing the impairment test.

Note 12 – Taxation

Income taxes consist of the following:

(In $ millions)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
		(As adjusted)	*(As adjusted)*
Current tax expense/(benefit):			
Bermuda	—	—	—
Foreign	7	11	22
Deferred tax expense/(benefit):			
Bermuda	—	—	—
Foreign	(2)	(7)	(62)
Total tax expense/(benefit)	**5**	**4**	**(40)**
Effective tax rate	(0.9)%	(0.1)%	5.3 %

The effective tax rate for the year ended December 31, 2021, the year ended December 31, 2020 and the year ended December 31, 2019 was (0.9)%, (0.1)% and 5.3% respectively.

We are incorporated in Bermuda, where a tax exemption has been granted until 2035. Other jurisdictions in which we and our subsidiaries operate are taxable based on rig operations. A loss in one jurisdiction may not be offset against taxable income in another jurisdiction. Thus, we may pay tax within some jurisdictions even though we might have losses in others.

Due to the CARES Act in the US, we recognized a tax benefit in 2021 of $2 million (2020: $5 million) which included the release of valuation allowances previously recorded and carrying back net operating losses to previous years.

The income taxes for the year ended December 31, 2021, the year ended December 31, 2020 and the year ended December 31, 2019 differed from the amount computed by applying the Bermuda statutory income tax rate of 0% as follows:

(In $ millions)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
		(As adjusted)	*(As adjusted)*
Effect of change on unrecognized tax benefits	7	(1)	(7)
Effect of unremitted earnings of subsidiaries	—	(2)	(17)
Effect of taxable income in various countries	(2)	7	(16)
Total tax expense/(benefit)	**5**	**4**	**(40)**

Deferred income taxes

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. The net deferred tax assets/(liabilities) consist of the following:

Deferred tax assets:

(In $ millions)	**December 31, 2021**	**December 31, 2020**
Pensions and stock options	3	1
Provisions	31	31
Property, plant and equipment	51	—
Net operating losses carried forward	330	251
Intangibles	—	4
Other	9	3
Gross deferred tax assets	**424**	**290**
Valuation allowance	(413)	(219)
Deferred tax assets, net of valuation allowance	**11**	**71**

Deferred tax liabilities:

(In $ millions)	**December 31, 2021**	**December 31, 2020**
Property, plant and equipment	—	30
Unremitted Earnings of Subsidiaries	8	8
Deferred gain	—	34
Intangibles	1	—
Gross deferred tax liabilities	**9**	**72**
Net deferred tax asset/(liability)	**2**	**(1)**

As at December 31, 2021, deferred tax assets related to net operating loss ("**NOL**") carry forwards was $330 million (December 31, 2020: $251 million), which can be used to offset future taxable income. NOL carry forwards which were generated in various jurisdictions, include $244 million (December 31, 2020: $241 million) that will not expire and $86 million (December 31, 2020: $10 million) that will expire between 2022 and 2041 if not utilized.

As at December 31, 2021, deferred tax liability related to intangibles from the application of fresh start accounting was $1 million (December 31, 2020: nil).

We establish a valuation allowance for deferred tax assets when it is more likely than not that the benefit from the deferred tax asset will not be realized. The amount of deferred tax assets considered realizable could increase or decrease in the near-term if our estimates of future taxable income change. Our valuation allowance consists of $330 million on NOL carry forwards as at December 31, 2021 (December 31, 2020: $251 million).

Uncertain tax positions

As at December 31, 2021, we had a total amount of unrecognized tax benefits of $85 million excluding interest and penalties. The changes to our balance related to unrecognized tax benefits were as follows:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Balance at the beginning of the period	82	89	132
Increases as a result of positions taken in prior periods	4	1	8
Increases as a result of positions taken during the current period	2	—	29
Decreases as a result of positions taken in prior periods	(1)	(4)	(34)
Decreases due to settlements	(1)	(1)	(46)
Decreases as a result of a lapse of the applicable statute of limitations	(1)	(3)	—
Balance at the end of the period	**85**	**82**	**89**

Accrued interest and penalties totaled $19 million at both December 31, 2021 and December 31, 2020 and were included in "Other liabilities" on our Consolidated Balance Sheets. We recognized expenses/(benefits) of $1 million, ($1 million), and ($7 million) during the year ended December 31, 2021, the year ended December 31, 2020 and the year ended December 31, 2019, respectively, related to interest and penalties for unrecognized tax benefits on the income tax expense line in the accompanying Consolidated Statement of Operations.

As of December 31, 2021, $85 million of our unrecognized tax benefits, including penalties and interest, would have a favorable impact to the Company’s effective tax rate if recognized.

Tax returns and open years

We are subject to taxation in various jurisdictions. Tax authorities in certain jurisdictions examine our tax returns and some have issued assessments. We are defending our tax positions in those jurisdictions.

The Brazilian tax authorities have issued a series of assessments with respect to our returns for certain years up to 2017 for an aggregate amount equivalent to $124 million including interest and penalties. As a positive development in relation to the earlier years' assessments, the first tier judicial court has ruled in favor of Seadrill. However, an appeal has since been filed by the tax authorities to the second tier judicial court. The relevant group companies are robustly contesting these assessments including filing the relevant appeals to the tax authorities and counter-appeal to the higher court.

The Nigerian tax authorities have issued a series of claims and assessments both directly and lodged through the Previous Chapter 11 Proceedings, with respect to returns for subsidiaries for certain years up to 2016 for an aggregate amount equivalent to $171 million. The relevant group companies are robustly contesting these assessments including filing relevant appeals in Nigeria. An adverse outcome on these proposed assessments could result in a material adverse impact on our Consolidated Balance Sheets, Statements of Operations or Cash Flows.

The Kuwaiti tax authorities have issued a series of assessments with respect to our returns for years up to 2015 for an aggregate amount equivalent to $12 million including interest and penalties. The relevant group company is robustly contesting these assessments including filing relevant appeals.

The Mexican tax authorities have issued a series of assessments with respect to our returns for certain years up to 2014 for an aggregate amount equivalent to $95 million including interest and penalties (across our continuing and discontinued operations of $49 million and $46 million respectively). The relevant group companies are robustly contesting these assessments including filing relevant appeals.

An adverse outcome on these proposed assessments could result in a material adverse impact on our Consolidated Balance Sheets, Statements of Operations or Cash Flows.

The following table summarizes the earliest tax years that remain subject to examination by other major taxable jurisdictions in which we operate.

Jurisdiction	Earliest Open Year
Kuwait	2012
Nigeria	2014
United States	2018
Mexico	2011
Norway	2015
Brazil	2008

Note 13 – Loss per share

The computation of basic LPS is based on the weighted average number of shares outstanding during the period. Diluted LPS includes the effect of the assumed conversion of potentially dilutive instruments.

The components of the numerator for the calculation of basic and diluted LPS are as follows:

(In $ millions)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
		(As adjusted)	*(As adjusted)*
Net loss from continuing operations	(592)	(4,448)	(720)
Profit /(loss) from discontinued operations	5	(215)	(502)
Net loss attributable to the parent	(587)	(4,663)	(1,222)
Less: Allocation to participating securities	—	—	—
Net loss available to stockholders	(587)	(4,663)	(1,222)
Effect of dilution	—	—	—
Diluted net loss available to stockholders	**(587)**	**(4,663)**	**(1,222)**

The components of the denominator for the calculation of basic and diluted LPS are as follows:

(In millions)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Basic loss per share:			
Weighted average number of common shares outstanding	100	100	100
Diluted loss per share:			
Effect of dilution	—	—	—
Weighted average number of common shares outstanding adjusted for the effects of dilution	**100**	**100**	**100**

The basic and diluted loss per share are as follows:

(In $)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Basic Loss per share from continuing operations	(5.90)	(44.29)	(7.16)
Diluted Loss per share from continuing operations	(5.90)	(44.29)	(7.16)
Basic loss per share	(5.85)	(46.43)	(12.18)
Diluted loss per share	(5.85)	(46.43)	(12.18)

ASC 260 ‘Earnings per Share’ requires the presentation of diluted earnings per share where a company could be called upon to issue shares that would decrease net earnings per share. As the Company reported net losses for the year ended December 31, 2021, the effect of including potentially dilutive instruments in the calculation would result in a reduction in loss per share, which is anti-dilutive. Under these circumstances, these instruments are not included in the calculation due to their anti-dilutive effect and as a result the basic and diluted loss per share are equal.

Note 14 – Restricted cash

Restricted cash consists of the following:

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Accounts pledged as collateral for performance bonds and similar guarantees [(i)]	42	48
Proceeds from rig sales [(ii)]	47	—
Demand deposit pledged as collateral for tax related guarantee [(iii)]	63	65
Accounts pledged as collateral for SFL leases [(iv)]	37	22
Other	34	33
Total restricted cash	**223**	**168**

(i) Cash collateral in respect to bank guarantee facilities with Danske Bank and DNB.

(ii) Proceeds from rig disposals to be paid to the lenders in 2022 and classified as restricted until then.

(iii) We placed a total of 330 million Brazilian Reais of collateral with BTG Pactual under a letter of credit agreement. This related to long-running tax disputes which are currently being litigated through the Brazilian courts. This is held as non-current in the Consolidated Balance Sheet.

(iv) Accounts pledged to SFL for lease arrangements for the *West Linus* and *West Hercules.*

Restricted cash is presented in our Consolidated Balance Sheets as follows:

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Current restricted cash	160	103
Non-current restricted cash	63	65
Total restricted cash	**223**	**168**

Note 15 – Accounts receivable

Accounts receivable are held at their nominal amount less an allowance for expected credit losses. Refer to Note 6 - "Current expected credit losses" for further information.

Note 16 – Other assets

As at December 31, 2021 and 2020, other assets included the following:

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Prepaid expenses	54	67
Taxes receivable	48	32
Right of use asset	24	57
Restructuring backstop commitment fee	20	—
Deferred contract costs	15	14
Reimbursable amounts due from customers	13	11
Favorable drilling and management services contracts	9	10
Other	35	38
Total other assets	**218**	**229**

Other assets are presented in our Consolidated Balance Sheets as follows:

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Other current assets	191	184
Other non-current assets	27	45
Total other assets	**218**	**229**

Note 17 – Investment in associated companies

We have the following investments in associated companies:

Ownership percentage	Joint venture partner	December 31, 2021	December 31, 2020
Gulfdrill [(i)]	Gulf Drilling International	50.0 %	50.0 %
Sonadrill [(ii)]	Sonangol E.P.	50.0 %	50.0 %

We own 50% equity interests in the above entities. The remaining 50% equity interest is owned by the above joint venture partners. We account for our 50% investments in the joint ventures under the equity method. For transactions with related parties refer to Note 27 - "Related party transactions".

i. Gulfdrill

Gulfdrill is a joint venture that manages and operates five premium jack-ups in Qatar with Qatargas. We have a 50% ownership stake in Gulfdrill. The remaining 50% interest is owned by Gulf Drilling International **("GDI")**. We lease three of our jack-up rigs to the joint venture, with an additional two units being leased from a third party shipyard.

ii. Sonadrill

Sonadrill is a joint venture that will operate four drillships focusing on opportunities in Angolan waters. We have a 50% ownership stake in Sonadrill. The remaining 50% interest is owned by Sonangol EP **("Sonangol")**. Both Seadrill and Sonangol agreed to bareboat two units each into the joint venture with Seadrill due to manage the two Sonangol owned drillships. On October 1, 2019, the first bareboat and management agreements for the Sonangol drilling unit, *Libongos*, became effective. The rig commenced its first drilling contract on October 10, 2019. The *Libongos,* is currently operating in Angola, while the *Quenguela* is contracted to start with Total in early 2022. The two committed Seadrill rigs will be leased to the joint venture when required; to date no further contracts have been secured for these rigs.

Share in results from associated companies

Our share in results of our associated companies (net of tax) were as follows:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
		(As adjusted)	*(As adjusted)*
Seadrill Partners	—	—	(21)
Sonadrill	5	(2)	(1)
Gulfdrill	(2)	2	—
Total share in results from associated companies (net of tax)	**3**	**—**	**(22)**

Summary of Consolidated Statements of Operations for our equity method investees

The results of the Sonadrill companies and our share in those results (net of tax) were as follows:

Sonadrill *(In $ millions)*	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Operating revenues	94	56	22
Net operating income/(loss)	18	(2)	(1)
Net income/(loss)	11	(5)	(2)
Seadrill ownership percentage	50 %	50 %	50 %
Share of results from Sonadrill (net of tax)	**5**	**(2)**	**(1)**

The results of the Gulfdrill companies and our share in those results (net of tax) were as follows:

Gulfdrill *(In $ millions)*	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Operating revenues	142	44	—
Net operating income/(loss)	(4)	6	—
Net income/(loss)	(4)	4	—
Seadrill ownership percentage	50 %	50 %	50 %
Share of results from Gulfdrill (net of tax)	**(2)**	**2**	**—**

Book value of our investments in associated companies

At the year end, the book values of our investments in our associated companies were as follows:

(In $ millions)	**December 31, 2021**	**December 31, 2020**
Sonadrill	27	22
Gulfdrill	—	2
Total	**27**	**24**

Quoted market prices for all of our investments are not available.

Summarized Consolidated Balance sheets for our equity method investees

The summarized balance sheets of the Sonadrill companies and our share of recorded equity in those companies was as follows:

Sonadrill *(In $ millions)*	**December 31, 2021**	**December 31, 2020**
Current assets	72	54
Current liabilities	(18)	(11)
Net Assets	**54**	**43**
Seadrill ownership percentage	50 %	50 %
Book value of Seadrill investment	**27**	**22**

The summarized balance sheets of the Gulfdrill companies and our share of recorded equity in those companies was as follows:

Gulfdrill *(In $ millions)*	**December 31, 2021**	**December 31, 2020**
Current assets	120	67
Non-current assets	173	102
Current liabilities	(182)	(135)
Non-current liabilities	(113)	(31)
Net (liabilities)/assets	**(2)**	**3**
Seadrill ownership percentage	50 %	50 %
Book value of Seadrill investment	**—**	**2**

Note 18 – Drilling units

Changes in drilling units for the periods presented in this report were as follows:

(In $ millions)	**Cost**	**Accumulated depreciation**	**Net book value**
January 1, 2020	**7,048**	**(647)**	**6,401**
Additions	147	—	147
Depreciation	—	(341)	(341)
Impairment	(4,087)	—	(4,087)
December 31, 2020	**3,108**	**(988)**	**2,120**
Additions	93	—	93
Depreciation	—	(147)	(147)
Impairment [(1)]	(152)	—	(152)
Disposal [(2)]	(364)	227	(137)
December 31, 2021 [(1)(2)]	**2,685**	**(908)**	**1,777**

[(1)] In June 2021 we recorded an impairment of $152 million (December 31, 2020: $4.1 billion) which was reported within "Loss on impairment of long-lived assets" on our Consolidated Statement of Operations. Please refer to Note 11 – "Loss on impairment of long-lived assets" for further details.

[(2)] In August, 2021, the lease agreement with SFL for the *West Hercules* was amended such that the rig was derecognized from drilling units and replaced with a right of use asset within other assets.

Note 19 – Equipment

Equipment consists of office equipment, software, furniture and fittings. Changes in equipment balances for the periods presented in this report were as follows:

(In $ millions)	**Cost**	**Accumulated depreciation**	**Net book value**
January 1, 2020	**38**	**(15)**	**23**
Additions	1	—	1
Depreciation	—	(5)	(5)
December 31, 2020	**39**	**(20)**	**19**
Depreciation	—	(8)	(8)
December 31, 2021	**39**	**(28)**	**11**

Note 20 – Debt

As at December 31, 2021 and 2020, we had the following liabilities for third party debt agreements:

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Secured credit facilities	5,662	5,662
Total debt principal	**5,662**	**5,662**
Less: Debt balance held as subject to compromise	(5,662)	—
Carrying value	**—**	**5,662**

Certain subsidiaries filed for Chapter 11 bankruptcy protection on February 7, 2021 and February 10, 2021. As a result, the outstanding balance of the senior credit facilities were classified within liabilities subject to compromise ("**LSTC**") in our Consolidated Balance Sheet at December 31, 2021.

For further information on our bankruptcy proceedings refer to Note 4 - "Chapter 11 Proceedings".

Note 21 – Other liabilities

As at December 31, 2021 and December 31, 2020, other liabilities included the following:

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Uncertain tax positions	85	79
Accrued expenses	81	110
Employee withheld taxes, social security and vacation payments	46	47
Lease liabilities	35	68
Contract liabilities	35	31
Taxes payable	27	27
Accrued interest expense	—	10
Other liabilities	35	33
Total Other Liabilities	**344**	**405**

Other liabilities are presented in our Consolidated Balance Sheet as follows:

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Other current liabilities	230	285
Other non-current liabilities	114	120
Total Other Liabilities	**344**	**405**

Note 22 - Leases

As of December 31, 2021, we held operating leases for both the *West Bollsta* and *West Hercules*. As of December 31, 2021, the negotiations over the *West Linus* lease amendment had not been concluded yet. Therefore, we still maintain the rig asset on balance sheet along with the finance liability to SFL (held in liabilities subject to compromise). We also have operating leases relating to our premises, the most significant being our offices in London, Liverpool, Oslo, Stavanger, Singapore, Houston, Rio de Janeiro and Dubai. In accordance with Topic 842, we record lease liabilities and associated right-of-use assets for our portfolio of operating leases.

We continue to lease three of our benign environment jack-up rigs, *West Castor, West Telesto* and *West Tucana,* to our joint venture, Gulfdrill, for a contract with GDI in Qatar.

In March, 2020, Seadrill was awarded a contract to provide drilling services for 10 firm wells and 4 optional wells. To fulfill this contract Seadrill entered a charter agreement to lease the *West Bollsta* rig from Northern Ocean. The rig was mobilized and commenced operations in early October after being available at the drill location in September, 2020. This operating lease arrangement resulted in the recognition of a lease liability and offsetting right of use asset. During 2021, the charter was amended to cancel the drilling of the 10th well, resulting in an early termination fee of $6 million and right-of-use asset impairment charge of $10 million being recorded.

Seadrill entered into sale and leaseback arrangements for the *West Hercules* semi-submersible rig with SFL Hercules Ltd in 2008, the *West Linus* Jack-up rig with SFL Linus Ltd in 2014, and the *West Taurus* semi-submersible rig with SFL Deepwater Ltd (**"Deepwater"**) in 2008, all wholly owned subsidiaries of SFL Corporation Ltd (**"SFL"**), a related party.

The *West Taurus* lease was terminated in March 2021 and the *West Taurus* was delivered back to SFL on May 6, 2021.

On August 27, 2021, the Bankruptcy Court approved an amendment to the original SFL charter based on the current Equinor contract in Norway and in direct continuation (after a period of mobilization) of the subsequent Equinor contract in Canada. The buy-back obligation, that previously resulted in the failed sale and lease back treatment, was removed in this amendment, resulting in a deemed disposal of the *West Hercules*. Seadrill is leasing the *West Hercules* from SFL under an operating lease until the end of the Canada contract. The lease is expected to end in October 2022. Refer to Note 27 – "Related party transactions" for further information.

Seadrill leases and operates the *West Linus* on a drilling contract with ConocoPhillips, the term of which were expected to end in December, 2028. The existing lease with SFL is not considered sustainable as part of the new capital structure. Chapter 11 affords Seadrill the option to reject or renegotiate this lease on more economically viable terms. On February 18, 2022, subsequent to year-end, Seadrill entered an interim transition charter with SFL, which will see Seadrill continuing to operate the *West Linus* until the rig is delivered back to SFL. The amendment is expected to result in the recognition of a short-term operating lease and the removal of the buyback obligation is expected to result in a deemed disposal of the *West Linus.*

For operating leases where we are the lessee, our future undiscounted cash flows are as follows:

(In $ millions)	**Year ended December 31, 2021**
2022	32
2023	3
2024	1
2025 and thereafter	1
Total	**37**

The following table gives a reconciliation between the undiscounted cash flows and the related operating lease liability recognized in our Consolidated Balance Sheet as at December 31, 2021:

(In $ millions)	**Year ended December 31, 2021**	**Year ended December 31, 2020**
Total undiscounted cash flows	37	79
Less short term leases	—	—
Less discount	(2)	(11)
Operating lease liability	**35**	**68**
Of which:		
Current	30	51
Non-current	5	17
Total	**35**	**68**

The following table gives supplementary information regarding our lease accounting at December 31, 2021:

(In $ million)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Operating Lease Cost:			
Operating lease cost	42	19	12
Short-term lease cost	1	2	1
Total lease cost	**43**	**21**	**13**
Other information:			
Cash paid for amounts included in the measurement of lease liabilities- Operating Cash flows	42	21	13
Right-of-use assets obtained in exchange for operating lease liabilities during the period	24	53	19
Weighted-average remaining lease term in months	19	14	18
Weighted-average discount rate	10 %	24 %	13 %

On November 25, 2019, March, 15 2020 and November 15, 2020 we leased the *West Castor, West Telesto* and *West Tucana* to Gulfdrill. The estimated future undiscounted cash flows on these leases are as follows:

(In $ millions)	Year ended December 31, 2021
2022	28
2023	28
2024	21
2025	18
2026 and thereafter	2
Total	**97**

Refer to Note 8 - "Other revenues" for comparative information on income from operating leases.

Note 23 – Common shares

The common shares presented in our Consolidated Balance Sheet is that of the Predecessor Company, prior to our emergence from Chapter 11. The information included in this note presents the common share transactions of the predecessor. For information on the common shares held on emergence from Chapter 11, refer to Note 4- "Chapter 11".

Changes in predecessor common shares for the periods presented in this report were as follows:

	Issued and fully paid share capital $0.10 par value each	
	Shares	$ millions
December 31, 2019	**100,234,973**	**10**
2020 RSU share issuance	149,462	—
December 31, 2020 and December 31, 2021	**100,384,435**	**10**

Predecessor common share transactions for periods presented

On February 10, 2020 and June 17, 2020, a total of 149,462 common shares were issued to employees following a vesting of restricted stock units awarded under our Employee Incentive Plan.

Key terms of shares issued and outstanding

All our issued and outstanding common shares are and will be fully paid. Subject to the Bye-Laws, the Board of Directors is authorized to issue any of the authorized but unissued common shares. There are no limitations on the right of non-Bermudians or non-residents of Bermuda to hold or vote in the Company's common shares.

Holders of common shares have no pre-emptive, redemption, conversion or sinking fund rights. Holders of common shares are entitled to one vote per common share on all matters submitted to a vote of holders of common shares. Unless a different majority is required by law or the Bye-Laws, resolutions to be approved by holders of common shares require the approval by an ordinary resolution (being a resolution approved by a simple majority of votes cast at a general meeting at which a quorum is present). Under the Bye-Laws, each common share is entitled to dividends if, as and when dividends are declared by the Board of Directors, subject to any preferred dividend right of the holders of any preference shares.

In the event of liquidation, dissolution or winding up of the Company, the holders of common shares are entitled to share equally and ratably in the Company's assets, if any, remaining after the payment of all its debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

Note 24 – Accumulated other comprehensive income/(loss)

Changes in accumulated other comprehensive income/(loss) for the periods presented in this report were as follows:

(In $ millions)	Actuarial gain/(loss) relating to pension	Share in unrealized losses from associated companies	Change in debt component on Archer facility	Total
January 1, 2020	**—**	**(13)**	**—**	**(13)**
Other comprehensive (loss)/income	(2)	(15)	4	**(13)**
December 31, 2020	**(2)**	**(28)**	**4**	**(26)**
Other comprehensive income from continuing operations	—	—	—	**—**
Other comprehensive income from discontinued operations	—	9	2	**11**
December 31, 2021	**(2)**	**(19)**	**6**	**(15)**

Note 25 – Share based compensation

The share-based compensation expense for our share options and Restricted Stock Unit ("**RSU**") plans in the Consolidated Statements of Operations are as follows:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Share-based compensation expense	—	8	5
Total share-based compensation expense	**—**	**8**	**5**

On August 16, 2018, following emergence from the previous Chapter 11, we established an employee incentive plan with a limit of 11.1 million of our common shares.

On September 4, 2018 we made a grant of 0.5 million RSUs to certain employees and directors under the employee incentive plan. The awards were subject to a service condition and vest 33% per year over the three-year period to September 4, 2021. On September 4, 2019, the first tranche of RSUs vested and 0.2 million of our common shares were issued to employees and directors.

On April 26, 2019, we made a grant of 1.7 million performance shares to certain employees under our employee incentive plan. The awards are subject to service and performance conditions and the vesting period ends on March 31, 2022.

On August 23, 2019, we made a grant of 0.3 million restricted stock units to directors. The awards were subject to a service condition and vest 33% per year over the three-year period to August 23, 2022.

On July 29, 2020, we made a one-off compensatory cash payment to holders of performance share unit and restricted share unit awards that had been granted under our company incentive plans that amounted to $0.5 million. On cancellation of the schemes the remaining charge relating to the unvested awards have been expensed to the consolidated statement of operations. Company Directors and Senior Management held 510,234 performance share units and 188,369 restricted stock units, which resulted in a cash payment of $0.2 million.

No further grants have been made since all schemes were cancelled and there are no unvested awards.

Note 26 - Pension benefits

Defined benefit plans

For onshore employees in Norway, who are participants in the defined benefit plans, the primary benefits are a retirement pension of approximately 66 percent of salary at retirement age of 67 years, together with a long-term disability pension. The retirement pension per employee is capped at an annual payment of 66 percent of the total of 12 times the Norwegian Social Security Base. Most employees in this group may choose to start a pre-retirement pension at 62 years of age.

Consolidated Balance Sheet position

Net defined benefit pension asset/(obligation) is as follows:

(In $ millions)	December 31, 2021	December 31, 2020
Defined benefit obligation - Non-current liabilities	(5)	—
Deferred tax asset	1	1
Net defined benefit pension (obligation)/asset	**(4)**	**1**

Annual pension cost

We record pension costs in the period during which the services are rendered by the employees.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Service cost	—	1	3
Interest cost on prior years' benefit obligation	—	—	1
Gross pension cost for the year	**—**	**1**	**4**
Expected return on plan assets	—	—	(1)
Net pension cost for the year	**—**	**1**	**3**
Impact of settlement/curtailment of defined benefit plans	2	1	—
Total net pension cost	**2**	**2**	**3**

The funded status of the defined benefit plan

Funded defined benefit pension obligation is as follows:

(In $ millions)	December 31, 2021	December 31, 2020
Projected defined benefit obligations	(16)	(16)
Plan assets at market value	11	16
Funded defined benefit pension obligation	**(5)**	**—**

Change in projected benefit obligations

Change in projected benefit obligation is as follows:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Projected benefit obligations at beginning of period	16	40	37
Interest cost	—	—	1
Service cost	—	1	3
Benefits paid	(1)	(1)	(2)
Change in unrecognized actuarial gain	1	2	—
Settlement [(1)]	—	(25)	—
Foreign currency translations	—	(1)	1
Projected benefit obligations at end of period	**16**	**16**	**40**

[(1)] Two Norwegian defined benefit plans were settled and paid out in the year ending 31 December, 2020.

Change in pension plan assets

Change in pension plan assets is as follows:

(In $ millions)	December 31, 2021	December 31, 2020	December 31, 2019
Fair value of plan assets at beginning of year	16	39	33
Estimated return	—	—	1
Contribution by employer	1	6	6
Benefits paid	(1)	(1)	(2)
Actuarial gain	—	—	—
Settlement [2]	(1)	(27)	—
Foreign currency translations	—	(1)	1
Other [1]	(4)	—	
Fair value of plan assets at end of year	**11**	**16**	**39**

[1] In 2021, we received the contribution back for two Norwegian defined benefit plans that were terminated in 2020.

[2] Two Norwegian defined benefit plans were settled and paid out in 2020.

The accumulated benefit obligation for all defined benefit pension plans was $15 million and $15 million at December 31, 2021 and December 31, 2020, respectively.

Pension obligations are actuarially determined and are critically affected by the assumptions used, including the expected return on plan assets, discount rates, compensation increases and employee turnover rates. We periodically review the assumptions used and adjust them and the recorded liabilities as necessary.

The expected rate of return on plan assets and the discount rate applied to projected benefits are particularly important factors in calculating our pension expense and liabilities. We evaluate assumptions regarding the estimated rate of return on plan assets based on historical experience and future expectations on investment returns, utilizing the asset allocation classes held by the plan's portfolios. The discount rate is based on the covered bond rate in Norway. Changes in these and other assumptions used in the actuarial computations could impact the projected benefit obligations, pension liabilities, pension expense and other comprehensive income.

Assumptions used in calculation of pension obligations

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Rate of compensation increase at the end of year	2.25 %	2.25 %	2.25 %
Discount rate at the end of year	1.50 %	1.70 %	2.30 %
Prescribed pension index factor	1.20 %	1.20 %	2.00 %
Expected return on plan assets for the year	2.90 %	2.60 %	2.60 %
Employee turnover	4.00 %	4.00 %	4.00 %
Expected increases in Social Security Base	2.25 %	2.00 %	2.50 %

The weighted-average asset allocation of funds related to our defined benefit plan at December 31, was as follows:

Pension benefit plan assets

	December 31, 2021	December 31, 2020
Equity securities	9.7 %	7.2 %
Debt securities	65.3 %	68.2 %
Real estate	13.6 %	13.6 %
Money market	10.6 %	10.6 %
Other	0.8 %	0.4 %
Total	**100.0 %**	**100.0 %**

The investment policies and strategies for the pension benefit plan funds do not use target allocations for the individual asset categories. The investment objectives are to maximize returns subject to specific risk management policies. The life insurance company diversify the allocation of plan assets by investing in both domestic and international fixed income securities and domestic and international equity securities. These investments are readily marketable and can be sold to fund benefit payment obligations as they become payable.

Effective January 1, 2020 the company terminated two of the defined benefit plans and replaced it with a defined contribution plan. The termination/settlement cost relating to the defined benefit plans has been recognized within 'Selling, general and administrative expenses' within the Consolidated Statement of Operations.

Cash flows - Contributions expected to be paid

The table below shows our expected annual pension plans contributions under defined benefit plans for the years ending December 31, 2021-2030. The expected payments are based on the assumptions used to measure our obligations at December 31, 2021 and include estimated future employee services.

(In $ millions)	**December 31, 2021**
2022	1
2023	1
2024	1
2025	1
2025-2030	3
Total payments expected during the next 10 years	**7**

Defined contribution and other plans

We made contributions to personal defined contribution pension and other plans totaling $18 million for the year ended December 31, 2021, $18 million for the year ended December 31, 2020, and $16 million for the year ended December 31, 2019. These were charged as operational expenses as they became payable.

Note 27 – Related party transactions

Prior to emerging from Chapter 11 on February 22, 2022, our main related parties included (i) affiliated companies over which we held significant influence, (ii) affiliated companies and (iii) companies who were either controlled by or whose operating policies were significantly influenced by Hemen, who was a major shareholder of the Predecessor Company. On emergence, Hemen's equity interest in Seadrill will substantially decrease and companies who were either controlled by or whose policies were significantly influenced by Hemen will no longer be related parties.

Companies over which we hold significant influence include Seabras Sapura, Sonadrill and Gulfdrill. In addition, prior to November 2, 2021, SeaMex was an affiliated company with which we held a 50% interest. On November 2, 2021, we purchased the residual equity in SeaMex, which led to it becoming a wholly owned subsidiary. Our investments in both SeaMex and Seabras Sapura are included within assets held for sale and liabilities associated with assets held for sale in our Consolidated Balance Sheet.

Aquadrill (formerly Seadrill Partners) was an affiliated company until it emerged from Chapter 11 in May 2021. The information presented within this note includes all services performed prior to May 2021.

Companies that are controlled by, or whose operating policies may be significantly influenced by, Hemen include SFL, Archer, Frontline, Seatankers, Northern Drilling and Northern Ocean. In the following sections we provide an analysis of transactions with related parties and balances outstanding with related parties.

Related party revenue

The below table provides an analysis of related party revenues for periods presented in this report.

(In $ millions)	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
		(As adjusted)	*(As adjusted)*
Management fee revenues [(a)]	98	135	113
Reimbursable revenues [(b)]	65	148	218
Leasing revenues [(c)]	26	19	1
Other	—	3	1
Total related party operating revenues	**189**	**305**	**333**

(a) We provide management and administrative services to SeaMex, Sonadrill and, until May 2021, Aquadrill, as well as operational and technical support services to SeaMex, Sonadrill, Northern Ocean and, until May 2021, Aquadrill. We charge our affiliates for support services provided either on a cost-plus mark-up or dayrate basis.

(b) We recognized reimbursable revenues from Northern Ocean for work performed to mobilize the Northern Ocean rigs *West Mira* and *West Bollsta*, as well as from Sonangol relating to preparation costs for the *Quenguela* contract commencing in January 2022. Following the cancellation of the Wintershall contract, a settlement agreement has been signed with Northern Ocean extinguishing all outstanding claims. In

December 31, 2021, the agreement became effective and the CECL provision of $138 million was written off against the receivable. The remaining receivable of $18 million was net was settled for no cash against the lease liability owed to Northern Ocean for the *West Bollsta*.

(c) Lease revenue earned on the charter of the *West Castor, West Telesto* and *West Tucana* to Gulfdrill.

Related party operating expenses

The below table provides an analysis of related party operating expenses for periods presented in this report.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
West Bollsta lease [d]	57	10	—
West Hercules lease [e]	10	—	—
Other related party operating expenses [f]	3	2	3
Total related party operating expenses	**70**	**12**	**3**

(d) Seadrill entered a charter agreement to lease the *West Bollsta* rig from Northern Ocean in 2020. Refer to Note 22 - "Leases" for details.

(e) Lease expense following the change to operating lease in August 2021. Refer to Note 22 - "Leases" for details.

(f) We received services from certain other related parties. These included management and administrative services from Frontline and other services from Seatankers.

Related party financial items

In 2021, $1 million (2020; nil) interest income was recognized on an $8 million "Minimum Liquidity Shortfall" loan issued to SeaMex during 2020.

Related party receivable balances

The below table provides an analysis of related party receivable balances for periods presented in this report.

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Related party loans and interest [g]	9	8
Trading balances [h]	20	236
Allowance for expected credit loss [i]	(1)	(153)
Total related party receivables	**28**	**91**
Of which:		
Amounts due from related parties - current	28	85
Amounts due from related parties - non-current	—	6
Total amounts due from related parties	**28**	**91**

(g) Sponsor Minimum Liquidity Shortfall loan receivable from SeaMex which earns interest at 6.5% plus 3-month US LIBOR.

(h) Trading balances are primarily comprised of receivables from Gulfdrill for lease income, as well as from SeaMex and Sonadrill for related party management and crewing fees. Per our contractual terms these balances are either settled monthly or quarterly in arrears, or in certain cases, in advance. After its emergence from Chapter 11 in May 2021, Aquadrill is no longer considered a related party and any amounts due from them have been reclassified to "Accounts receivable, net" in our Consolidated Balance Sheets.

The below table provides an analysis of the receivable balance:.

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020
Northern Ocean	—	140
Aquadrill	—	61
Gulfdrill	13	17
Sonadrill	4	10
NSNCo/SeaMex (Discontinued operations)	3	8
Gross amount receivable	**20**	**236**
Less: CECL allowance	(1)	(153)
Receivable net of CECL allowance	**19**	**83**

(i) Allowances recognized for expected credit losses on our related party loan and trade receivables following adoption of accounting standard update 2016-13 - Measurement of Credit Losses on Financial Instruments. Refer to Note 5 – "Current expected credit losses" for details.

Related party payable balances

The below table provides an analysis of related party payable balances for periods presented in this report.

(In $ millions)	December 31, 2021	December 31, 2020
Liabilities from Seadrill to SFL [(k)]	503	426
Trading balances [(l)]	—	7
Total related party liabilities	**503**	**433**
Of which:		
Amounts due to related parties - current	—	7
Long-term debt due to related parties	—	426
Liabilities subject to compromise	503	—

On filing for Chapter 11, our prepetition related party payables were reclassified to "liabilities subject to compromise" in our Consolidated Balance Sheets at December 31, 2021. For further information on our bankruptcy proceedings refer to Note 4 - Chapter 11 of our Consolidated Financial Statements included herein.

(k) The liabilities to SFL represented $1.1 billion of lease liabilities between Seadrill and certain special purpose vehicles ("**SPVs**"), that are legal subsidiaries, of SFL. Seadrill consolidated these SPVs under the variable interest model until December 2020, when their deconsolidation was triggered by default on the leases. Refer to Note 4 - Chapter 11 for further details. On deconsolidation, Seadrill recognized the lease liabilities at a significant discount, reflecting its credit position at the time.

The following table provides a summary of the lease liabilities to SFL as at December 31, 2021 and December 31, 2020.

(In $ millions)	December 31, 2021	December 31, 2020
West Taurus lease liability	345	147
West Linus lease liability	158	142
West Hercules lease liability	—	137
Total lease liabilities to SFL	**503**	**426**

The lease on the *West Taurus* was rejected through the bankruptcy court which resulted in a remeasurement of the liability to its expected claim value, which will be extinguished on emergence from chapter 11.

The *West Hercules* and *West Linus* leases were modified in August 2021 and February 2022 respectively, with the associated liabilities being derecognized at the point of lease amendment. See Note 34 – Subsequent events for more details on the *West Linus*.

(l) Trading balances in 2020 primarily included related party payables due to Aquadrill and SeaMex. As part of the settlement agreement with Aquadrill all claims on pre-petition positions held were waived.

Other related party transactions

We have made certain guarantees over the performance of Northern Ocean and Sonadrill on behalf of customers. We have not recognized a liability for any of the above guarantees as we did not consider it to be probable that the guarantees would be called.

Note 28 – Financial instruments and risk management

We are exposed to several market risks, including credit risk, foreign currency risk and interest rate risk. Our policy is to reduce our exposure to these risks, where possible, within boundaries deemed appropriate by our management team. This may include the use of derivative instruments.

Credit risk

We have financial assets, including cash and cash equivalents, related party receivables, other receivables and certain amounts receivable on derivative instruments. These assets expose us to credit risk arising from possible default by the counterparty. Most of the counterparties are creditworthy financial institutions or large oil and gas companies. We do not expect any significant loss to result from non-performance by such counterparties. However, we have established an allowance on our loans and trade receivables due from related parties reflecting their current financial position, lower credit rating and overdue balances.

We do not demand collateral in the normal course of business. The credit exposure of derivative financial instruments is represented by the fair value of contracts with a positive fair value at the end of each period. The credit exposure of interest rate swap agreements, currency option contracts and foreign currency contracts is represented by the fair value of contracts with a positive fair value at the end of each period, reduced by the effects of master netting agreements and adjusted for counterparty non-performance credit risk assumptions. It is our policy to

enter into master netting agreements with the counterparties to derivative financial instrument contracts, which give us the legal right to discharge all or a portion of amounts owed to a counterparty by offsetting them against amounts that the counterparty owes to us.

Credit risk is also considered as part of our expected credit loss provision. For details on how we estimate expected credit losses refer to Note 5 - "Current expected credit losses".

Concentration of risk

There is also a concentration of credit risk with respect to cash and cash equivalents to the extent that most of the amounts are carried with Citibank, Nordea Bank AB, Danske Bank A/S, BNP Paribas and BTG Pactual. We consider these risks to be remote, but, from time to time, we may utilize instruments such as money market deposits to manage concentration of risk with respect to cash and cash equivalents. We also have a concentration of risk with respect to customers, including affiliated companies. For details on the customers with greater than 10% of contract revenues, refer to Note 6 - "Segment information". For details on amounts due from affiliated companies, refer to Note 27 - "Related party transactions".

Foreign exchange risk

It is customary in the oil and gas industry that a majority of our revenues and expenses are denominated in U.S. dollars, which is the functional currency of most of our subsidiaries and equity method investees. However, a portion of the revenues and expenses of certain of our subsidiaries and equity method investees are denominated in other currencies. We are therefore exposed to foreign exchange gains and losses that may arise on the revaluation or settlement of monetary balances denominated in foreign currencies.

Our foreign exchange exposures primarily relate to cash and working capital balances denominated in foreign currencies. We do not expect these exposures to cause a significant amount of fluctuation in net income and do not currently hedge them. The effect of fluctuations in currency exchange rates arising from our international operations has not had a material impact on our overall operating results.

Interest rate risk

Our exposure to interest rate risk relates mainly to our floating rate debt and balances of surplus funds placed with financial institutions. We manage this risk through the use of derivative arrangements. On May 11, 2018, we purchased an interest rate cap for $68 million to mitigate exposure to future increases of LIBOR. The $4.5 billion of debt principal covered by the cap is significantly in excess of Seadrill's debt outstanding following the restructuring and the interest rate cap is not designated as a hedge and therefore we do not apply hedge accounting. The capped rate against the 3-month US LIBOR is 2.87% and covers the period from June 15, 2018 to June 15, 2023. The 3-month LIBOR rate as at December 31, 2021 was 0.209%

As part of reference rate reform, the use of LIBOR will be replaced by other interest rate indexes as part of a negotiation with our lenders. As at December 31, 2021 our debt facilities and derivatives continue to be linked to the LIBOR interest rate index. The $683 million reinstated facility and $300 million new money facility will be referenced to the SOFR, whilst the Convertible Note will be referenced to the 3-month US LIBOR.

Note 29 - Fair values of financial instruments

Fair value of financial instruments measured at amortized cost

The carrying value and estimated fair value of our financial instruments that are measured at amortized cost as at December 31, 2021 and December 31, 2020 are as follows:

	December 31, 2021		December 31, 2020	
				(As adjusted)
(In $ millions)	**Fair value**	**Carrying value**	**Fair value**	**Carrying value**
Assets				
Related party loans receivable *(Level 2)*	9	9	6	6
Liabilities				
Liability subject to compromise- Secured credit facilities (*Level 3)*	2,094	5,662	1,193	5,662
Liability subject to compromise - Related Party Loans Payable *(Level 3)*	176	503	424	426

Level 2

The fair value of related party receivable balances are assumed to be equal to their carrying value, after adjusting for expected credit losses. The loans are categorized as level 2 on the fair value hierarchy. Other trading balances with related parties are not shown in the table above and are covered in Note 27 - "Related party transactions".

Level 3

The fair values of the secured credit facilities as at December 31, 2021 are determined by reference to the secured credit facilities holder allocation of the Seadrill fair value post emergence, as this is the expected amount of equity they would be entitled to, as well as the value of

the issuance of second lien debt facility and cash payment of AOD debt. The fair value is derived using a discounted cash flow model of future free cash flows from each rig, using a weighted average cost of capital range of 10% to 17.0%. We have categorized this at level 3 of the fair value hierarchy. The fair value of the secured credit facilities as at December 31, 2020, was determined by reference to the fair value of the collateral of each facility, the rigs, as this is the expected amount recoverable on enforcement of an event of default. The fair values were derived using a combination of discounted cash flow model of future free cash flows using a weighted average cost of capital of 17.0% and the market approach from each rig. Refer to Note 20 - "Debt" for further information.

The fair value of the related party loans payable as at December 31, 2021, for the *West Taurus* was derived using the court approved maximum cash settlement amount of $0.25 million. For the *West Linus* the fair value was derived using a discounted cash flow model of future free cash flows based on the contractual cash flows under the bareboat charter agreement together with the LIBOR linked interest payments, as well as assumed cash outflows under the mandatory repurchase obligation at the end of the lease term. These cash flows were discounted using the weighted average cost of capital of 10%. As at December 31, 2020 the fair value was derived using a discounted cash flow model of future free cash flows based on the contractual cash flows under the bareboat charter agreement together with the LIBOR linked interest payments, as well as assumed cash outflows under the mandatory repurchase obligation at the end of the lease term. These cash flows were discounted using the Senior Secured Note yield of 37%. We have categorized this at level 3 on the fair value hierarchy. Refer to Note 27 - "Related party transactions" for further information.

Our cash and cash equivalents, and restricted cash, accounts receivable, and accounts payable are by their nature short-term. As a result, the carrying values included in our Consolidated Balance Sheets approximate fair value.

Note 30 – Commitments and contingencies

Legal Proceedings

From time to time we are a party, as plaintiff or defendant, to lawsuits in various jurisdictions for demurrage, damages, off-hire and other claims and commercial disputes arising from the construction or operation of our drilling units, in the ordinary course of business or in connection with our acquisition or disposal activities. We believe that the resolution of such claims will not have a material impact, individually or in the aggregate, on our operations or financial results. Our best estimate of the outcome of the various disputes has been reflected in our Consolidated Financial Statements as at December 31, 2021.

Oro Negro

The CEO of Perforadora Oro Negro, S. DE R.L. DE C.V ("**Oro Negro**"), a Mexican drilling rig contractor, filed a complaint personally and in his capacity as foreign representative of Oro Negro on June 6, 2019 in the United States Bankruptcy Court, Southern District of New York, within Oro Negro's Chapter 15 proceedings ancillary to its Mexican insolvency process. The complaint names Seadrill and its joint venture partner as co-defendants along with other defendants including Oro Negro bondholders. With respect to Seadrill, the complaint asserts claims relating to alleged tortious interference but does not seek to quantify damages. On August 25, 2019, Seadrill submitted a motion to dismiss the complaint on technical legal grounds. Oro Negro responded to this motion on October 25, 2019. The Company has the opportunity to reply to this in further support of the motion, the date of which has not yet been determined. Seadrill intends to vigorously defend against the claims Oro Negro asserts and dispute the allegations set forth in the complaint. The proceedings have been stayed since March 2020. On August 6, 2021 the United States Bankruptcy Court was notified that the auction of Oro Negro's assets was approved by the Mexican Concurso court.

The stay in the bankruptcy proceeding will continue whilst a purchase is agreed.

Nigerian Cabotage Act litigation

Seadrill Mobile Units Nigeria Ltd ("**SMUNL**") commenced proceedings in May 2016 against the Honourable Minister for Transportation, the Attorney General of the Federation and the Nigerian Maritime Administration and Safety Agency with respect to interpretation of the Coastal and Inland Shipping (Cabotage) Act 2003 (the "**Cabotage Act**"). SMUNL is an Aquadrill entity which is the litigating party on behalf of both Aquadrill and Seadrill as the litigation relates to the *West Capella* (an Aquadrill rig) and the *West Saturn* and *West Jupiter* (Seadrill rigs). On June 28, 2019, the Federal High Court of Nigeria delivered a judgement finding that: (1) Drilling operations fall within the definition of "Coastal Trade" or "Cabotage" under the Act and (2) Drilling Rigs fall within the definition of "Vessels" under the Cabotage Act. The impact of this decision is that the Nigerian Maritime Administration and Safety Agency ("**NIMASA**") may impose a 2% surcharge on contract revenue from offshore drilling operations in Nigeria, as well as requiring SMUNL register for Cabotage with NIMASA and pay all fees and tariffs as may be published in the guidelines that may be issued by the Minister of Transportation in accordance with the Cabotage Act. However, on July 22, 2019, SMUNL filed an appeal to the Court of Appeal challenging the decision of the Federal High Court. Due to the volume of cases currently being handled by the Court of Appeal sitting in Lagos the Group anticipate a decision within 3-5 years.

Although we intend to strongly pursue this appeal, it cannot predict the outcome of this case. We do not believe that it is probable that the ultimate liability, if any, resulting from this litigation will have a material effect on our financial position.

Lava Jato

On September 23, 2020, Seadrill's subsidiary Seadrill Serviços de Petroleo, Ltda was served with a search and seizure warrant from the Federal Police in Rio de Janeiro, Brazil as part of the phase of Operation Lava Jato relating to individuals formally associated with Seadrill Serviços. Seadrill is cooperating with the investigation. The Brazilian markets have experienced heightened volatility in recent years due to the uncertainties derived from the ongoing investigations being conducted by the Office of the Brazilian Federal Prosecutor, the Brazilian Federal Police, the Brazilian Securities Commission (Comissão de Valores Mobiliários), the Securities and Exchange Commission, the U.S. Department of Justice, the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) and other Brazilian and foreign public authorities, including the largest such investigation known as Lava Jato, and the impact that such investigations have on the Brazilian economy and political environment. Numerous elected officials, public servants and executives and

other personnel of large and state-owned companies have been subject to investigation, arrest, criminal charges and other proceedings in connection with allegations of political corruption, including the acceptance of bribes by means of kickbacks on contracts granted by the government to several infrastructure, oil and gas and construction companies, among others. The profits of these kickbacks allegedly financed the political campaigns of political parties that were unaccounted for or not publicly disclosed and served to personally enrich the recipients of the bribery scheme. Individuals who have had commercial arrangements with Seadrill have been identified in the Lava Jato investigations and the investigations by the Brazilian authorities are ongoing. The outcome of certain of these investigations is uncertain, but they have already had an adverse impact on the business, image and reputation of the implicated companies, and on the general market perception of the Brazilian economy. We cannot predict whether such allegations will lead to further political and economic instability or whether new allegations against government officials or executives will arise in the future. We also cannot predict the outcome of any such allegations on the Brazilian economy, and the Lava Jato investigation including its recent phases, could adversely affect our business and operations.

Any other material disputes or litigation

During the course of the preceding twelve months, the Company has not been involved in any other material litigation or legal proceedings.

Guarantees

We have issued guarantees in favor of third parties as follows, which is the maximum potential future payment for each type of guarantee:

(In $ millions)	December 31, 2021	December 31, 2020
		(As adjusted)
Guarantees in favor of customers		
Guarantees to Northern Ocean [1]	150	100
Guarantees to Sonadrill [2]	400	50
Total	**550**	**150**

[1] Guarantees in favor of customers are performance guarantees provided on behalf of Northern Ocean of $150 million (December 31, 2020: $100 million) for a contract that matures in 2022.

[2] Guarantees in favor of customers are performance guarantees provided on behalf of Sonadrill of $400 million (December 31, 2020: $50 million). Contract maturity in November 2022 ($50 million) and March 2023 ($350 million).

As of December 31, 2021 we have not recognized any liabilities for the above guarantees, as we do not consider it is probable for the guarantees to be called.

Other contingencies

Sevan Louisiana loss incident

On January 2019, there was a loss incident on the Sevan Louisiana related to a malfunction of its subsea equipment. As at December 31, 2021 this claim had been closed out and we have recovered $23 million insurance income from our Hull & Machinery policy for the claim.

The loss incident also resulted in a period of downtime for the Sevan Louisiana. As a result, we recovered $20 million insurance income from the loss of hire policy for the Sevan Louisiana. The Loss of Hire claim is now closed.

Note 31 - Supplementary cash flow information

The table below summarizes the non-cash investing and financing activities relating to the periods presented:

(In $ millions)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Non-cash investing activities			
Proceeds from sale of *West Epsilon* rig [1]	—	12	—
Non-cash financing activities			
Repayment of debt following sale of *West Epsilon* rig [1]	—	(12)	—

[1] During September 2020, the *West Epsilon* was sold for net proceeds of $12 million. The proceeds were paid directly to the banks as an early repayment against our external debt.

Note 32 - Business combination

On August 31, 2021, Seadrill Limited entered into a restructuring implementation deed (RID) with NSNCo and the JPLs and refinanced SeaMex senior secured bank debt by the issuance of new senior secured notes (the "**New SeaMex Notes**").

On September 2, 2021, the parties entered into a share purchase agreement ("**SPA**") to sell the assets of SeaMex out of provisional liquidation to a newly incorporated wholly owned subsidiary of NSNCo in return for the extinguishment of $0.4 billion of the various forms of debt

instruments owed to NSNCo, gross of expected credit loss allowances previously recognized totaling $65 million. On November 2, 2021 the SPA closed and NSNCo obtained the remaining 50% equity interest in SeaMex, resulting in the consolidation of SeaMex into NSNCo in a business combination.

We have used a convenience date for this transaction and concluded that SeaMex is consolidated into the Seadrill Group effective November 1, 2021. Prior to this date it was accounted for as a joint venture on the Seadrill consolidated Balance Sheet.

The following is a summary of SeaMex's identifiable assets acquired and liabilities assumed as at acquisition date:

(In $ millions)	**As at acquisition**
Carrying amounts of major classes of assets	
Cash and cash equivalents	41
Restricted cash	21
Accounts receivable, net	316
Intangible drilling contracts	172
Drilling units	216
Other assets	17
Total assets	**783**
Carrying amounts of major classes of liabilities	
Amounts due to related parties	133
Long-term debt	234
Other liabilities	88
Total liabilities	**455**
Net asset acquired	**328**

Prior to November 2021, 50% of the net income or loss from SeaMex was recognized as a share in results from associated companies in Seadrill's Consolidated Statement of Operations, and subsequently reclassified to results from discontinued operations. From November 2021 onwards, 100% of SeaMex's results from operations form part of Seadrill's consolidated results and have been reported as income from discontinued operations.

The following is a summary of SeaMex's operation results since the acquisition date included in the discontinued operations for the reporting period:

(In $ millions)	**Period November 2, 2021 until December 31, 2021**
Results from business combination	
Operating revenues	
Contract revenues	36
Total operating revenues	**36**
Operating expenses	
Vessel and rig operating expenses	(25)
Selling, general and administrative expenses	(2)
Total operating expenses	**(27)**
Operating profit	**9**
Financial and non-operating items	
Interest expense	(4)
Others	(1)
Total financial items	**(5)**
Income before tax	**4**
Income tax benefit	2
Income after tax	**6**

Note 33 - Assets and Liabilities Held for Sale/ Discontinued Operations

As set out in Note 4 - Chapter 11 proceedings, the Company concluded a comprehensive restructuring of its balance sheet on February 22, 2022. As part of this wider restructuring process, the Company sold 65% of its equity interest in NSNCo on January 20, 2022. Prior to year end, on November 2, 2021, NSNCo completed the acquisition of the residual 50% equity interest in SeaMex Ltd, a company that it had previously held as a joint venture with Fintech. The consideration of the business combination was $0.4 billion, based on the value of the various forms of debt instruments forgiven and owed to NSNCo. The agreed sale of 65% of NSNCo meant that the assets and liabilities were to be classified as held for sale as at December 31, 2021 and any financial information generated would be reported as "discontinued operations".

The table below shows the carrying amounts of major classes of assets and liabilities classified as held-for-sales:

(In $ millions)	As at December 31, 2021	As at December 31, 2020
Carrying amounts of major classes of assets included as part of discontinued operations		
Cash and cash equivalents	48	35
Restricted cash	21	29
Accounts receivable	318	—
Intangible drilling contracts	165	—
Drilling units	215	—
Investment in associated companies	239	224
Amount due from related parties	69	387
Deferred tax assets	6	—
Other assets	22	10
Total assets of discontinued operations classified as held for sale	**1,103**	**685**
Carrying amounts of major classes of liabilities included as part of discontinued operations		
Trade accounts payable	7	—
Amounts due to related parties	12	—
Long-term debt	814	515
Uncertain tax positions	25	—
Other liabilities	90	31
Total liabilities of discontinued operations classified as held for sale	**948**	**546**

Major classes of line items constituting profit/(loss) of discontinued operations:

(In $ millions, except per share data)	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Operating revenues			
Contract revenues	36	—	—
Total operating revenues	**36**	**—**	**—**
Operating expenses			
Operating expenses	(27)	—	—
Total operating expenses	**(27)**	—	—
Operating profit	**9**	—	—
Financial and other non-operating items			
Interest income	18	26	34
Interest expense	(77)	(60)	(66)
Share in results from associated companies (net of tax)	14	(77)	(93)
Loss on impairment of investments	—	(47)	(296)
Loss impairment of convertible bond from related party	—	(29)	(11)
Net loss on debt extinguishments	—	—	(22)
Gain/(loss) on marketable securities	2	(3)	(46)
Other financial items	37	(24)	(1)
Total financial items	**(6)**	**(214)**	**(501)**
Net profit/(Loss) before tax from discontinued operations	**3**	**(214)**	**(501)**
Income tax benefit/(expense)	2	(1)	(1)
Net profit/(Loss) after tax from discontinued operations	**5**	**(215)**	**(502)**
Basic Earning/(Loss) per share from discontinued operations	**0.05**	**(2.14)**	**(5.02)**
Diluted Earning/(Loss) per share from discontinued operations	**0.05**	**(2.14)**	**(5.02)**

Related party transactions

Seabras Sapura guarantees - In November 2012, a subsidiary of Seabras Sapura Participações S.A. entered into a $179 million senior secured credit facility agreement in order to part fund the acquisition of the Sapura Esmeralda pipe-laying support vessel, with a maturity in 2032. During 2013 an additional facility of $36 million was entered into, but this facility matured in 2020. As a condition to the lenders making the loan available, a subsidiary of Seadrill has provided a sponsor guarantee, on a joint and several basis with the joint venture partner, Sapura Energy, in respect of the obligations of the borrower. The total amount guaranteed by the joint venture partners as at December 31, 2021 was $127 million (December 31, 2020: $132 million).

Note 34 – Subsequent events

Emergence from Chapter 11

On February 22, 2022, Seadrill concluded its comprehensive restructuring process and emerged from Chapter 11 bankruptcy protection. The restructuring reduced debt obligations under external credit facilities from $5,662 million to $683 million and raised an additional $350 million of liquidity through issuance of new debt. In addition, future obligations under finance lease arrangements in respect of the West Taurus, West Hercules and West Linus were substantially eliminated. Please see note 4 for further details.

NSNCo Emergence

On July 2, 2021, a RSA was reached with the NSNCo Noteholders with regards to a comprehensive restructuring of the debt facility. A key step in the RSA was the sale of the assets of SeaMex out of provisional liquidation to a newly incorporated wholly owned subsidiary of NSNCo under a share purchase agreement. On November 2, 2021, the sale of the assets of SeaMex to a subsidiary of NSNCo was completed.

NSNCo filed a pre-packaged bankruptcy that was heard on January 12, 2022 in a separate petition filing from Seadrill in U.S. Bankruptcy Court for the Southern District of Texas. NSNCo, soon to be Paratus Energy Services, emerged from their Chapter 11 on January 20, 2022. As a result, NSNCo's net assets, which had a book value of $155 million as at December 31, 2021, and are shown within the held-for-sale line items, were de-recognized and replaced with an equity method investment, representing the 35% retained interest. We anticipate that this will lead to an accounting loss on disposal to be recorded by Seadrill in its first quarter 2022 financial statements. We are still evaluating what the accounting loss will be.

In exchange for Seadrill being released from all guarantees and securities provided to the NSNCo lenders in respect of the notes, we disposed of 65% of our equity interest in NSNCo to the noteholders . Whilst these guarantees have substantial value to all parties, they are not reflected as a discrete liability on Seadrill's balance sheet under applicable accounting rules. Accordingly, there will be no accounting gain when they are extinguished which is expected to result in the overall accounting loss of disposal referenced. In addition, Seadrill received improved payment priority on certain balances owed by SeaMex to Seadrill and reinstatement of management agreements for SeaMex. The notes were also reinstated on amended terms.

West Linus lease arrangement

On February 19, 2022, Seadrill signed a transition agreement with SFL pursuant to which the *West Linus* rig will be delivered back to SFL upon assignment of the ConocoPhilips drilling contract to SFL. Seadrill has been leasing the harsh environment jack -up rig, *West Linus*, from SFL, which had been accounted for as a failed sale leaseback due to contractual purchase obligations in the original charter, resulting in Seadrill recognizing the rig asset on its balance sheet and fair value of the liability to SFL for future bareboat payments within LSTC. The Chapter 11 Proceedings afforded Seadrill the option to reject or amend the lease.

The interim transition bareboat agreement with SFL will see Seadrill continuing to operate the *West Linus* until the rig is handed back to SFL and a new Manager, Odfjell, for a period of time estimated to last approximately 6 to 9 months from Seadrill's emergence. The amendment charter no longer contains a purchase obligation and will therefore result in the de-recognition of the rig asset of $175 million and liability of $158 million at emergence from Chapter 11 on February 22, 2022. The interim transition bareboat agreement will be accounted for as a short-term operating lease.

Rig disposals

The *West Venture* was sold for scrapping to Rota Shipping Inc. for $7 million on January 19, 2022. As the rig was fully impaired the total consideration, less any costs to sell, will be recognized as a gain on disposal.

The *Sevan Driller* and the *Sevan Brasil* were sold to New Fortress Energy for $18 million and $6 million respectively on April 7, 2022.

Registration No. 202100496

GOVERNMENT OF BERMUDA

Registrar of Companies

The Companies Act 1981

CERTIFICATE OF INCORPORATION

I hereby in accordance with the provisions of section 14 of **the Companies Act 1981**, issue this Certificate of Incorporation and do certify that on the 15th day of October 2021

Seadrill 2021 Limited

was registered under the provisions of the said section and that the status of the said Company is that of an **Exempted** Company.

Kenneth Joaquin
Registrar of Companies
21st day of October 2021

REGISTRAR OF COMPANIES
BERMUDA

Memorandum of Association
The Companies Act 1981
Section 7(1) and (2)

Seadrill 2021 Limited (202100496)

Filing Date 21-Oct-2021 15:55:27

General details

Type of company	Exempted
Company Name	Seadrill 2021 Limited
Entity type	Company Limited By Shares

Objects and provisions

The objects for which the Company is formed and incorporated are unrestricted only	Yes
Provisions regarding the powers of the Company	The Company may do all such things as are incidental or conducive to the attainment of its objects and shall have the capacity, rights, powers and privileges of a natural person, and – (i) pursuant to Section 42 of the Act, the Company shall have the power to issue preference shares which are, at the option of the holder, liable to be redeemed; (ii) pursuant to Section 42A of the Act, the Company shall have the power to purchase its own shares for cancellation; and (iii) pursuant to Section 42B of the Act, the Company shall have the power to acquire its own shares to be held as treasury shares.

Subscribers

Subscriber 1

Name	Dawn C. GRIFFITHS

Address	Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda
Nationality	United Kingdom
Has Bermudian status	Yes
Number of shares	1

Subscriber 2

Name	Christopher G. GARROD
Address	Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda
Nationality	United Kingdom
Has Bermudian status	Yes
Number of shares	1

Subscriber 3

Name	Rovonne SAMPSON
Address	Clarendon House, 2 Church Street, Hamilton, Pembroke, HM 11, Bermuda
Nationality	United Kingdom
Has Bermudian status	Yes
Number of shares	1

Shareholdings

Currency	USD - United States Dollar
Authorised share capital	100.00

Declarations

The liability of the members of the Company	Yes

is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.	
The subscribers listed in this application respectively agreed to take such number of shares of the Company as may be allotted to them respectively by the provisional directors of the Company, not exceeding the number of shares for which they have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to them respectively.	Yes
Submitted By	CONYERS CORPORATE SERVICES (BERMUDA) LIMITED KAREN O'CONNOR BERMUDA, CLARENDON HOUSE, 2 CHURCH STREET, HAMILTON, PEMBROKE, HM11

Notice of Address of Registered Office
ıe Companies Act 1981
Pursuant to Section 62

Seadrill 2021 Limited (202100496)

Filing Date	23-Nov-2021 15:19:00
	Changed
Address of registered office	c/-Frontline Ltd., Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, Pembroke, HM 08, Bermuda
Previous Value	*c/-Conyers Corporate Services (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton, Pembroke, HM11, Bermuda*
Submitted By	CONYERS CORPORATE SERVICES (BERMUDA) LIMITED LORRIE FURBERT BERMUDA, CLARENDON HOUSE, 2 CHURCH STREET, HAMILTON, PEMBROKE, HM11
ɜceipt Date	22-Nov-2021 16:26:25

Registration No. 202100496

GOVERNMENT OF BERMUDA

Registrar of Companies

The Companies Act 1981

CERTIFICATE OF DEPOSIT OF MEMORANDUM OF INCREASE OF SHARE CAPITAL

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital
of

Seadrill Limited

was delivered to the Registrar of Companies on the **18th day of February 2022** in accordance with section 45(3) of ***the Companies Act 1981*** (the "Act").

Kenneth Joaquin
Registrar of Companies
2nd day of March 2022

CONYERS

Bye-laws of

Seadrill Limited

(formerly known as Seadrill 2021 Limited, registration no. 202100496)

Approved by the Board of Directors of the Company and adopted by the sole member of the Company with effect from 22 February 2022

Clarendon House, 2 Church Street

Hamilton HM 11, Bermuda

conyers.com

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INTERPRETATION

1. DEFINITIONS

1.1. In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

"Act"	the Companies Act 1981 and any related regulations;
"Applicable Law"	with respect to any person, all provisions of laws, statutes, ordinances, rules, regulations, permits, certificates, judgments, decisions, decrees or orders of any governmental authority applicable to such person;
"Appointed Stock Exchange"	any stock exchange appointed by the Minister of Finance of Bermuda under the Act;
"Auditor"	includes an individual, company or partnership;
"Audit Committee"	the audit committee of the Board from time to time established/appointed in accordance with these Bye-laws;
"**Bankruptcy Code**"	title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended;
"Bermuda Business Day"	any day other than a Saturday, Sunday or a day on which commercial banks located in Bermuda are required or authorised by law to be closed;
"Board"	the board of directors (including, for the avoidance of doubt, a sole director) appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
"Business Day"	any day other than a Saturday, Sunday or a day on which commercial banks located in Bermuda or New York are required or authorised by law or executive order to be closed;
"Chief Executive Officer"	the chief executive officer of the Company, as may be appointed by the Board from time to time;
"CoCom and Ad Hoc Group"	the coordinating committee of agents and lenders as disclosed in the *Verified Statement of the Coordinating Committee of Secured Lenders and Agents Pursuant to Bankruptcy Rule 2019* [Docket No. 220] and the ad hoc group of secured credit facility lenders as disclosed in the *Second Supplemental Verified Statement Regarding Ad Hoc Group of Lenders Pursuant to Bankruptcy Rule 2019 [Docket No. 982]*;

"Common Shares"	has the meaning given in Bye-law 4.1 and "Common Share" shall be construed accordingly;
"Company"	Seadrill Limited (formerly known as Seadrill 2021 Limited), an exempted company incorporated under the Act with registration number 202100496;
"Director"	a director of the Company from time to time;
"Exchange Act"	the U.S. Securities Exchange Act of 1934 (as amended);
"Exchange Control Act"	the Exchange Control Act 1972 and related regulations;
"Executive Officers"	has the meaning given to it in the U.S. Securities Act of 1933 (as amended);
"First AGM"	has the meaning given in Bye-law 19;
"Independent" or "Independence"	in relation to a Director or proposed Director means that such Director or proposed Director is (a) independent as defined by Rule 10A-3 promulgated by the Securities and Exchange Commission under the Exchange Act (or any successor rule thereto), with respect to members of the Audit Committee and (b) for all other purposes, independent as defined by the listing standards of each Relevant Exchange (if the Relevant Exchange is an Appointed Stock Exchange), and, in any case, by the listing standards of the New York Stock Exchange;
"Initial Member"	a shareholder of record as of the Plan Effective Date;
"Interested Director"	has the meaning given in Bye-law 54.2;
"Joint Nomination and Remuneration Committee"	the joint nomination and remuneration committee of the Board from time to time established/appointed in accordance with these Bye-laws;
"Member"	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
"Norwegian Registrar"	means the registrar appointed, from time to time, by the Board to act as branch registrar of the Company with responsibility to maintain the VPS Register;

"notice"	written notice as further provided in these Bye-laws unless otherwise specifically stated;
"Officer"	any person appointed by the Board to hold an office in the Company;
"Plan"	the Joint Plan of Reorganization of Seadrill Limited and its Debtor Affiliates (as defined therein) pursuant to Chapter 11 of the Bankruptcy Code as confirmed by the United States Bankruptcy Court on 26 October 2021;
"Plan Effective Date"	shall have the meaning given to the term "Effective Date" in the Plan;
"Register of Directors and Officers"	the register of directors and officers referred to in these Bye-laws;
"Register of Members"	the register of members referred to in these Bye-laws;
"Relevant Exchange"	the securities exchange (if any) on which the Common Shares are listed from time to time;
"Resident Representative"	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
"Secretary"	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
"Treasury Share"	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled;
"VPS"	Verdipapirsentralen ASA, a Norwegian corporation maintaining a computerized central share registry in Oslo, Norway, for bodies corporate whose shares are listed for trading on the Oslo Stock Exchange, and includes any successor registry; and
"VPS Register"	means the branch register of the Company kept in Oslo, Norway, or the register of beneficial interests in shares of the Company maintained through VPS, as applicable.

1.2. In these Bye-laws, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and *vice versa*;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) words importing persons include companies, associations or bodies of persons whether corporate or not;

(d) the words:-

(i) "may" shall be construed as permissive;

(ii) "shall" shall be construed as imperative; and

(iii) “at least” in relation to the number of days or Business Days for a period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

(e) a reference to a statutory provision shall be deemed to include any amendment or re-enactment thereof;

(f) the phrase "issued and outstanding" in relation to shares, means shares in issue other than Treasury Shares;

(g) the word "corporation" means a corporation whether or not a company within the meaning of the Act; and

(h) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

1.3. In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4. Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. POWER TO ISSUE SHARES

2.1. Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine.

2.2. Notwithstanding anything in these Bye-laws to the contrary, the Company shall not issue non-voting equity securities of any class, series, or other designation to the extent prohibited by

Section 1123(a)(6) of the Bankruptcy Code; provided, however, that the foregoing restriction (i) shall have no further force and effect beyond that required under such Section 1123(a)(6) of the Bankruptcy Code nor after such Section 1123(a)(6) of the Bankruptcy Code no longer applies to the Company, and (ii) may be amended or eliminated in accordance with Applicable Law as from time to time may be in effect.

3. POWER OF THE COMPANY TO PURCHASE ITS SHARES

3.1. The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.

3.2. The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

4. RIGHTS ATTACHING TO SHARES

4.1. At the date these Bye-laws are adopted, the share capital of the Company is divided into shares of a single class: 375,000,000 common shares of par value $0.01 each (the "Common Shares").

4.2. The holders of Common Shares shall, subject to these Bye-laws:

(a) be entitled to receive notice of and attend and vote at general meetings of the Company (and on written resolutions in accordance with Bye-law 34 and the Act) and be entitled to one vote per Common Share;

(b) be entitled to such dividends as the Board may from time to time declare in accordance with these Bye-laws and the Act;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company available for distribution among all holders of Common Shares on a *pari passu* and *pro rata* basis; and

(d) generally be entitled to enjoy all of the rights attaching to Common Shares.

4.3. At the discretion of the Board, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued Common Shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

4.4. All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all

Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

4.5. No holder of Common Shares or other securities of the Company shall have any pre-emptive right to purchase Common Shares, other securities of the Company or securities convertible into or exchangeable for or carrying rights or options to purchase Common Shares or other securities of the Company, whether such Common Shares or other securities are now or hereafter authorised, which at any time may be proposed to be issued by the Company or having rights or options to purchase granted by the Company.

5. CALLS ON SHARES

5.1. The Board may make such calls as it thinks fit upon the Members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members (and not made payable at fixed times by the terms and conditions of issue) and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

5.2. Any amount which, by the terms of allotment of a share, becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Bye-laws be deemed to be an amount on which a call has been duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to payment of interest, costs and expenses, forfeiture or otherwise shall apply as if such amount had become payable by virtue of a duly made and notified call.

5.3. The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

5.4. The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by such Member, although no part of that amount has been called up or become payable.

6. FORFEITURE OF SHARES

6.1. If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call

[Seadrill Limited] (the "Company")

You have failed to pay the call of [amount of call] made on [date], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on [date], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [ ] per annum computed from the said [date] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this

_____

[Signature of Secretary] By Order of the Board

6.2. If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Act.

6.3. A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.

6.4. The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

7. SHARE CERTIFICATES

7.1. Subject to the provisions of this Bye-law 7, every Member shall be entitled to a certificate under the common seal of the Company (or a facsimile thereof) or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical or electronic means.

7.2. The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.

7.3. If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued for such certificate and request an indemnity for the lost, mislaid, or destroyed certificate if it sees fit.

7.4. Notwithstanding any provisions of these Bye-laws:

(a) the Board shall, subject always to the Act and any other Applicable Laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements it may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and

(b) unless otherwise determined by the Board and as permitted by the Act and any other Applicable Laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

8. FRACTIONAL SHARES

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up, in each case on such fractional basis.

REGISTRATION OF SHARES

9. REGISTER OF MEMBERS

9.1. The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act. Subject to the provisions of the Act, the Company may keep one or more branch registers in any place in or outside of Bermuda and the Board may make, amend or revoke any regulations it thinks fit with respect to the keeping of such branch registers. Subject to the Common Shares being listed on the Oslo Stock Exchange, they shall be registered in the VPS.

9.2. The Register of Members shall be open to inspection without charge at the registered office of the Company on every Bermuda Business Day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each Bermuda Business Day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

10. REGISTERED HOLDER ABSOLUTE OWNER

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

11. TRANSFER OF REGISTERED SHARES

11.1. Subject to the Act and to such of the restrictions contained in these Bye-laws as may be applicable and to the provisions of any applicable United States securities laws (including, without limitation, the U.S. Securities Act of 1933, as amended, and the rules promulgated thereunder), any Member may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve. Should the Company be permitted to do so under the laws of Bermuda, the Board may, either generally or in any particular case, upon request by the transferor or the transferee, accept mechanically or electronically executed instruments of transfer and may also make such regulations with respect to transfer in addition to the provisions of these Bye-laws as it considers appropriate.

11.2. The instrument of transfer of a share shall be signed by or on behalf of the transferor and, where any share is not fully-paid, the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

11.3. The Board may, in its absolute discretion, decline to register any transfer of any share which is not a fully paid up share.

11.4. Subject to the Common Shares being listed on the Oslo Stock Exchange:

(a) The Board shall decline to register the transfer of any share, and shall direct the Norwegian Registrar to decline (and the Norwegian Registrar shall decline) to register the transfer of any interest in any share held through a branch register, to a person where the Board is of the opinion that such transfer might breach any law or requirement of any authority or any Relevant Exchange until it has received such evidence as it may require to satisfy itself that no such breach would occur.

(b) The Board may decline to register the transfer of any share, and may direct the Norwegian Registrar to decline (and the Norwegian Registrar shall decline if so requested) to register the transfer of any interest in any share held through the VPS Register, if the registration of such transfer would be likely, in the opinion of the Board, to result in fifty per cent. (50%) or more of the aggregate issued share capital of the Company or shares of the Company to which are attached fifty per cent. (50%) or more of the votes attached to all issued and outstanding shares of the Company being held or owned directly or indirectly, (including, without limitation, through the VPS Register) by a person or persons resident for tax purposes in Norway, provided that this provision shall not apply to the registration of shares in the name of the Norwegian Registrar as nominee of persons whose interests in such shares are reflected in the VPS Register,

but shall apply, *mutatis mutandis*, to interests in shares of the Company held by persons through the VPS Register.

(c) For the purposes of this Bye-law, each Member (other than the Norwegian Registrar in respect of those shares registered in its name in the Register of Members as nominee of persons whose interests in such shares are reflected in the VPS Register) shall be deemed to be resident for tax purposes in the jurisdiction specified in the address shown in the Register of Members for such Member, and each person whose interests in shares are reflected in the VPS Register shall be deemed to be resident for tax purposes in the jurisdiction specified in the address shown in the VPS Register for such person. If such Member or person is not resident for tax purposes in such jurisdiction or if there is a subsequent change in his residence for tax purposes, such Member shall notify the Company immediately of his residence for tax purposes.

(d) Where any Member or person whose interests in shares are reflected in the VPS Register fails to notify the Company in accordance with the foregoing, the Board and the Norwegian Registrar may suspend *sine die* such Member's or person's entitlement to vote or otherwise exercise, any rights attaching to the shares or interests therein and to receive payments of income or capital which become due or payable in respect of such shares or interests and the Company shall have no liability to such Member or person arising out of the late payment or non-payment of such sums and the Company may retain such sums for its own use and benefit. In addition to the foregoing, the Board and the Norwegian Registrar may dispose of the shares in the Company or interests herein of such Member or person at the best price reasonably obtainable in all the circumstances, and in connection therewith the Board is authorised to appoint any person to sign any instrument of transfer on behalf of such Member or person. Where a notice informing such Member or person of the proposed disposal of his shares or interests therein has been served, his shares or interest therein may not be transferred otherwise than in accordance with this Bye-law and any other purported transfer of such shares or interests therein shall not be registered in the Register of Members and/or the VPS Register and shall be null and void.

(e) Any provisions of these Bye-laws relating to the protection of purchasers of shares sold under lien or upon forfeiture shall apply *mutatis mutandis* to a disposal of shares or interests therein by the Company or the Norwegian Registrar in accordance with this Bye-law.

11.5. If fifty per cent. (50%) or more of the aggregate issued and outstanding share capital of the Company or shares representing fifty per cent. (50%) or more of the votes attached to all issued and outstanding shares of the Company are found to be held or owned directly or indirectly (including, without limitation, through the VPS Register) by a person or persons resident for tax purposes in Norway, other than the Norwegian Registrar in respect of those shares registered in its name in the Register of Members as nominee of persons whose interests in such shares are reflected in the VPS Register, the Board shall make an announcement to such effect through the Oslo Stock Exchange, and the Board and the Norwegian Registrar shall thereafter be entitled

and required to dispose of such number of shares of the Company or interests therein held or owned by such persons as will result in the percentage of the issued and outstanding share capital of the Company held or owned as aforesaid being less than fifty per cent. (50%) and, for these purposes, the Board and the Norwegian Registrar shall in such case dispose of shares or interests therein owned by persons resident for tax purposes in Norway on the basis that the shares or interests therein most recently acquired shall be the first to be disposed of (i.e. on the basis of last acquired first sold) save where there is a breach of the obligation to notify tax residency pursuant to the foregoing, in which event the shares or interests therein of the person in breach thereof shall be sold first. In connection with any such disposal, the Board is authorised to appoint any person to sign an instrument of transfer on behalf of the person holding such shares or interests. Holders of shares in the Company or interests therein shall not be entitled to raise any objection to the disposal of their shares or interests, but any provisions of these Bye-laws relating to the protection of purchasers of shares sold under lien or upon forfeiture shall apply *mutatis mutandis* to any disposal of shares or interests therein made in accordance with this Bye-law.

11.6. Without limiting the generality of the foregoing, the Board may also decline to register any transfer unless:

(a) the instrument of transfer is duly stamped and lodged with the Company accompanied by the certificate for the shares to which it relates if any and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of share; and/or

(c) all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda (including the Bermuda Monetary Authority) with respect thereto have been obtained.

11.7. Subject to Applicable Laws (which, for the avoidance of doubt, shall include all applicable laws relating to the regulation of securities), and these Bye-laws, each Member may transfer all or any portion of its shares to its respective affiliates.

11.8. If the Board declines to register a transfer of any shares, the Board shall, within ten (10) Business Days after the date on which the instrument of transfer was lodged with the Company, send to the transferor and transferee notice of such refusal.

11.9. Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

11.10. The Company may sell, dispose of, or transfer Treasury Shares for cash or other consideration.

11.11. Notwithstanding anything to the contrary in these Bye-laws, shares that are listed or admitted to trading on an Appointed Stock Exchange shall be transferred in accordance with the rules and regulations of such exchange.

11.12. Subject to any directions of the Board from time to time in force the Secretary may exercise the powers and discretion of the Board under this Bye-law 11.

11.13. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register of Members and/or the VPS Register relating to any share.

12. TRANSMISSION OF REGISTERED SHARES

12.1. In the case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the legal personal or estate representative of the deceased member, where such Member was sole holder, shall be the only person recognised by the Company as having any title to such shares; however, nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by such Member solely or jointly with other persons. For the purpose of this Bye-law, legal personal or estate representative means the executor or administrator of a deceased Member, the person to whom probate or letters of administration has or have been granted or, failing any such person, such other person as the Board may in its absolute discretion determine as being properly authorised to deal with the shares of a deceased Member for the purpose of this Bye-law.

12.2. Any person becoming entitled to a share in consequence of the death of a Member, bankruptcy of any Member or otherwise by operation of Applicable Law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to such person's entitlement, either be registered as the Member or elect to nominate another person to be registered as the transferee thereof. If the person so becoming entitled elects to be registered as a Member, they shall deliver or send to the Company a notice in writing signed by them stating that they so elect. If they elect to nominate another person to be registered, they shall execute in favour of such nominee an instrument of transfer of such share in the form set out below or in such other form as the Board may accept:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member

[Seadrill Limited] (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [date]

Signed by:	In the presence of:
_____	_____
Transferor	Witness
Signed by:	In the presence of:
_____	_____
Transferee	Witness

12.3. All the limitations, restrictions and provisions of these Byelaws relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer shared by such Member.

12.4. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of Applicable Law shall (upon such evidence being produced as may from time to time be required by the Board as to such entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but they shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until they shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered themselves or to transfer the share and if the notice is not complied with within sixty (60) days of the date thereof the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the shares until the requirements of the notice have been complied with.

12.5. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-Law 12.

ALTERATION OF SHARE CAPITAL

13. POWER TO ALTER CAPITAL

13.1. The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.

13.2. Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

14. VARIATION OF RIGHTS ATTACHING TO SHARES

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of at least three-fourths of the issued shares of that class or with the sanction of a resolution passed by at least three-fourths of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

DIVIDENDS AND CAPITALISATION

15. DIVIDENDS

15.1. The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

15.2. The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

15.3. The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

15.4. The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

16. POWER TO SET ASIDE PROFITS

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

17. METHOD OF PAYMENT

17.1. Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid by cheque or bank draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the Member may direct in writing, or by transfer to such account as the Member may direct in writing.

17.2. In the case of joint holders of shares, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or bank draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may direct in writing, or by transfer to such account as the joint holders may direct in writing. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

17.3. The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

17.4. Any dividend and/or other moneys payable in respect of a share which has remained unclaimed for six (6) years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

17.5. The Company shall be entitled to cease sending dividend cheques and drafts by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Bye-law in respect of any Member shall cease if the Member claims a dividend or cashes a dividend cheque or draft.

18. CAPITALISATION

18.1. The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata (except in connection with the conversion of shares of one class to shares of another class) to the Members.

18.2. The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

19. ANNUAL GENERAL MEETINGS

An annual general meeting shall be held in each calendar year (other than the year of incorporation) at such time and in Bermuda or at such other place as the Board shall determine, but in no event shall any such annual general meeting be held in Norway or the United Kingdom. However, the first annual general meeting after the date these Bye-laws were adopted is to be held within one (1) month of the first anniversary of the Plan Effective Date (the “First AGM”).

20. SPECIAL GENERAL MEETINGS

The Board may convene a special general meeting whenever in their judgment such a meeting is necessary, but in no event shall any such Special General Meeting be held in Norway or the United Kingdom.

21. REQUISITIONED GENERAL MEETINGS

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Act shall apply.

22. NOTICE

22.1. Subject to Bye-law 22.3, at least ten (10) Business Days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting. For the avoidance of doubt, no business shall be conducted at an annual general meeting except for the business set forth in the notice properly provided to each Member.

22.2. Subject to Bye-law 22.3, at least ten (10) Business Day' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting. For the avoidance of doubt, no business shall be conducted at a special general meeting except for the business set forth in the notice properly provided to each Member.

22.3. Subject to Applicable Law and the rules of the Relevant Exchange, the Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

22.4. A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

22.5. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

23. GIVING NOTICE AND ACCESS

23.1. A notice may be given by the Company to a Member:

(a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or

(b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served seven (7) days after the date on which it is deposited, with postage prepaid, in the mail; or

(c) by sending it by courier to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served two (2) days after the date on which it is deposited, with courier fees paid, with the courier service; or

(d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or

(e) by delivering it in accordance with the provisions of the Act pertaining to delivery of electronic records by publication on a website, in which case the notice shall be deemed to have been served at the time when the requirements of the Act in that regard have been met.

23.2. Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

23.3. In proving service under Bye-laws 23.1(b), (c) and (d), it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted or sent by courier, and the time when it was posted, deposited with the courier, or transmitted by electronic means.

24. POSTPONEMENT OR CANCELLATION OF GENERAL MEETING

On the instruction of the Board, the Secretary shall, postpone or cancel any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned pursuant to Bye-law 21) provided that notice of postponement or cancellation is given to the Members before the time for such meeting. Fresh notice of the date, time and place for a postponed meeting shall be given to each Member in accordance with these Bye-laws.

25. ELECTRONIC PARTICIPATION AND SECURITY IN MEETINGS

25.1. Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

25.2. The Board may, and at any general meeting, the chairman of such meeting may, make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of

identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting are entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

26. QUORUM AT GENERAL MEETINGS

26.1. At any general meeting two or more persons present throughout the meeting representing in person or by proxy any issued and outstanding voting shares of the Company shall form a quorum for the transaction of business.

26.2. If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition pursuant to Bye-law 21, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the date, time and place for the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

27. CHAIRMAN TO PRESIDE AT GENERAL MEETINGS

Unless otherwise agreed by a majority of those attending and entitled to vote at a general meeting, the chairman of the Company, if there be one who is present, and if not the Chief Executive Officer of the Company, if there be one who is present, shall act as chairman of such meeting. In their absence a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

28. VOTING ON RESOLUTIONS

28.1. Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

28.2. No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.

28.3. At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.

28.4. In the event that a Member participates in a general meeting by telephone, electronic or other communication facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

28.5. At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

28.6. At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

29. POWER TO DEMAND A VOTE ON A POLL

29.1. Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

(a) the chairman of such meeting; or

(b) at least three Members present in person or represented by proxy; or

(c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or

(d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

29.2. Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

29.3. A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

29.4. Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall

be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman of the meeting shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by one or more scrutineers appointed by the Board or, in the absence of such appointment, by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose, and the result of the poll shall be declared by the chairman of the meeting.

30. VOTING BY JOINT HOLDERS OF SHARES

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

31. INSTRUMENT OF PROXY

31.1. A Member may appoint a proxy by

(a) an instrument in writing in substantially the following form or such other form as the Board may determine from time to time or the Board or the chairman of the meeting shall accept:

Proxy

[Seadrill Limited] (the "Company")

I/We, , being a Member of the Company with shares, HEREBY APPOINT of or failing him, of to be my/our proxy to vote for me/us at the meeting of the Members to be held on and at any adjournment thereof. [Any restrictions on voting to be inserted here.]

Signed this [date]

_____

Member(s)

or

(b) such telephonic, electronic or other means as may be approved by the Board from time to time.

31.2. The appointment of a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person

named in the appointment proposes to vote, and appointment of a proxy which is not received in the manner so permitted shall be invalid.

31.3. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

31.4. The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

32. REPRESENTATION OF CORPORATE MEMBER

32.1. A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

32.2. Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

33. ADJOURNMENT OF GENERAL MEETING

33.1. The chairman of a general meeting at which a quorum is present may, with the consent of the Members decided by the affirmative votes of a majority of the votes cast (and shall if so directed by the Members) adjourn the meeting.

33.2. In addition, the chairman of a general meeting may adjourn the meeting to another date, time and place or to an unspecified date, time and place without the consent or direction of the Members, and whether or not a quorum is present, if it appears to him that:

(a) it is likely to be impractical to hold or continue that meeting because of the number of Members wishing to attend who are not present; or

(b) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

33.3. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

34. WRITTEN RESOLUTIONS

34.1. Subject to these Bye-laws and in particular Bye-law 34.7, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may be done without a meeting by written resolution in accordance with this Bye-law.

34.2. Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

34.3. A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

34.4. A resolution in writing may be signed in any number of counterparts.

34.5. A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

34.6. A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.

34.7. This Bye-law shall not apply to:

(a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or

(b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

34.8. For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by (or in the case of a Member that is a corporation, on behalf of) the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

35. DIRECTORS ATTENDANCE AT GENERAL MEETINGS

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

36. ELECTION OF DIRECTORS

36.1. Only persons who are proposed or nominated in accordance with this Bye-law 36 shall be eligible for election as Directors. Subject to the requirements of Bye-law 38, any Member, the Joint Nomination and Remuneration Committee or the Board may propose or nominate any person for election as a Director. Subject to Bye-law 36.1A below, any nominee proposals put forth by one or more Members or the Joint Nomination and Remuneration Committee shall not be binding on the Board.

36.1A Any nominee proposal put forth by one or more Members holding at least 10% of the issued and outstanding voting shares of the Company shall be put before the Members for consideration and, if deemed appropriate, for election at the respective general meeting, provided that (a) the discretion of the Directors, to be exercised in compliance with their fiduciary duties from time to time, in relation to whether or not to support or recommend such nominee proposal to the Members at such general meeting shall not in any way be fettered, restricted or otherwise prejudiced; and (b) such nominee proposal complies with the requirements set out in Bye-law 36.2.

36.2. Where any person, other than a person proposed for re-election or election as a Director by the Joint Nomination and Remuneration Committee or the Board, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. Where a Director is to be elected:

(a) at an annual general meeting, such notice must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting or, in the event the annual general meeting is called for a date that is greater than 30 days before or after such anniversary, the notice must be given not later than 10 days following the earlier of the date on which notice of the annual general meeting was posted to Members or the date on which public disclosure of the date of the annual general meeting was made;

(b) at a special general meeting, such notice must be given not later than 10 days following the earlier of the date on which notice of the special general meeting was posted to Members or the date on which public disclosure of the date of the special general meeting was made; and

(c) at any general meeting, such notice must set forth:

(i) as to each person whom the Member proposes to nominate for election as a Director: (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of the Company owned beneficially or of record by the person, (D) a reasonably detailed description of any compensatory, payment or other financial agreement, arrangement or understanding that such

person has with any other person or entity other than the Company including the amount of any payment or payments received or receivable thereunder, in each case in connection with candidacy or service as a Director of the Company and (E) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors pursuant to applicable laws or regulations or that the Company may reasonably request in order to determine the eligibility of such person to serve as a Director of the Company (including, without limitation, pursuant to Section 14 of the U.S. Securities Exchange Act of 1934, as amended);

(ii) the name and record address of the Member giving the notice and of the beneficial owner, if any, on whose behalf the nomination is proposed;

(iii) the class or series and number of shares of the Company which are registered in the name of or beneficially owned by such Member and such beneficial owner (including any shares as to which such Member or such beneficial owner has a right to acquire ownership at any time in the future);

(iv) a description of all derivatives, swaps or other transactions or series of transactions engaged in, directly or indirectly, by such Member or such beneficial owner, the purpose or effect of which is to give such Member or such beneficial owner economic risk similar to ownership of shares of the Company;

(v) a description of all agreements, arrangements, understandings or relationships engaged in, directly or indirectly, by such Member or such beneficial owner (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares), the purpose or effect of which is to mitigate loss to, reduce the economic risk (or ownership or otherwise) of any shares or any class or series of shares of the Company, manage the risk of share price changes for, or increase or decrease the voting power of, such Member or beneficial owner, or which provides, directly or indirectly, such Member or beneficial owner with the opportunity to profit from any decrease in the price or value of the shares or any class or series of shares of the Company;

(vi) a description of all agreements, arrangements, understandings or relationships between such Member or such beneficial owner or any of their respective affiliates or associates, and any other person or persons (including their names) in connection with the proposed nomination by such Member and any material relationship between such Member or such beneficial owner or any of their respective affiliates or associates and the person proposed to be nominated for election;

(vii) any material pending or threatened legal proceeding in which such Member or such beneficial owner is a party or material participant involving the Company or any of its officers or directors, or any affiliate of the Company,

(viii) a representation that such Member intends to appear in person or by proxy at the general meeting to propose such nomination;

(ix) a representation as to whether such Member or any such beneficial owner intends or is part of a group that intends to (A) deliver a proxy statement and/or form of proxy to Members of at least the percentage of the voting power of the Company's issued and outstanding shares required to elect such nominee and/or (B) otherwise solicit proxies from Members in support of such nomination; and

(x) such other information relating to the proposed nomination as the Company may reasonably require to determine the eligibility of such proposed nominee to serve as an Independent Director of the Company or that could be material to a reasonable Member's understanding of the independence, or lack thereof, of such nominee;

(d) in the case of an election at any general meeting, such notice must be accompanied by a written consent of each person whom the Member proposes to nominate for election as a Director to being named as a nominee and to serve as a Director if elected; and

(e) if requested by the Company, the information required under Bye-laws 36.2(c)(iii), (iv), (v), (vi) and (vii) shall be supplemented by such Member and any such beneficial owner not later than 10 days after the record date for the meeting to disclose such information as of the record date.

36.3. Where persons are validly proposed for re-election or election as a Director, such Directors shall be elected or re-elected by a majority of votes cast at the relevant general meeting in accordance with these Bye-laws.

36.4. At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

36.5. The election or appointment of a person or persons to act as a Director in the alternative to any one or more Directors shall not be permitted.

37. NUMBER OF DIRECTORS

The Board shall at the date of adoption of these Bye-laws consist of seven (7) Directors (such directors collectively, the "Initial Directors"). From the First AGM, the Board shall consist of such number of Directors as the Members elect or as the Members may determine in general meeting from time to time, based on the recommendation of the Joint Nomination and Remuneration Committee, which shall not be binding.

38. DIRECTOR INDEPENDENCE AND CITIZENSHIP/RESIDENCY REQUIREMENTS

38.1. Any and all Directors shall at all times be Independent.

38.2. The majority of the Directors shall not be any of the following: (i) citizens of the United States; (ii) residents of the United States; or (iii) residents of the United Kingdom.

39. TERM OF OFFICE OF DIRECTORS

39.1. The term of office of the Initial Directors shall expire at the First AGM. Thereafter a Director shall hold office until the next annual general meeting or until their office is otherwise vacated.

39.2. A Director who is re-elected is treated as continuing in office throughout. A Director who is not re-elected shall retain office until the end of the relevant annual general meeting.

40. REMOVAL OF DIRECTORS

40.1. Subject to any provision to the contrary in these Bye-laws, the Members representing more than fifty per cent (50%) of the votes cast at the general meeting of the Company that are entitled to vote for the election of Directors may, at any general meeting convened and held in accordance with these Bye-laws, remove a Director, provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than seven (7) days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

40.2. If a Director is removed from the Board under this Bye-law 40 the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

41. VACANCY IN THE OFFICE OF DIRECTOR

41.1. The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-laws;

(b) is prohibited or disqualified from being a Director by Applicable Law;

(c) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;

(d) is or becomes of unsound mind or dies; or

(e) resigns his office by notice to the Company.

41.2. Provided a quorum of Directors remains in office, the Board shall have the power to appoint any person as a Director to fill any vacancy on the Board occurring as a result of Bye-laws 41.1(b) through (e).

41.3. The term of office of any Director appointed by the Board pursuant to Bye-law 41.2 to fill a vacancy on the Board shall expire at the next annual general meeting.

42. REMUNERATION OF DIRECTORS

The remuneration (if any) of the Directors shall be determined by the Members in general meeting based on the recommendation of the Joint Nomination and Remuneration Committee, which shall not be binding. The Directors may also be paid all reasonable and documented travel, hotel and other expenses properly incurred by them (or, in the case of a director that is a corporation, by their representative or representatives) in attending and returning from Board meetings, meetings of any committee appointed by the Board or general meetings, or in connection with the business of the Company or their duties as Directors generally.

43. DEFECT IN APPOINTMENT

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

44. BOARD TO MANAGE BUSINESS

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

45. POWERS OF THE BOARD OF DIRECTORS

Without limiting the generality of Bye-law 44, the Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) provide benefits on behalf of the Company to any Director or Officer, including pursuant to an employee share scheme which has been approved by the Members in a general meeting;

(c) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(d) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested

in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;

(e) procure that the Company pays all expenses incurred in promoting and incorporating the Company;

(f) delegate any of its powers (including the power to sub-delegate) to a committee of the Board in accordance with Bye-law 48;

(g) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

(h) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(i) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and

(j) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

46. CHAIRMAN OF THE BOARD

46.1. Following the appointment of the Initial Directors and at all times thereafter, the Company shall have a chairman of the Board who shall be appointed by the Board. The chairman of the Board, shall perform such duties as may be delegated by the Board.

46.2. The chairman of the Board shall not have a second or casting vote at any Board meetings or general meetings.

47. CHIEF EXECUTIVE OFFICER

47.1. The Chief Executive Officer shall be appointed and removed in accordance with Bye-law 50.

47.2. Unless the Board shall otherwise delegate such duties, the Chief Executive Officer shall have general and active management of the business of the Company, and shall see that all orders and resolutions of the Board are carried into effect. The Chief Executive Officer or such other Officer as shall be authorised by him or her shall have such powers and duties as usually pertain to the office of chief executive officer, except as the same may be modified by the Board.

47.3. The Chief Executive Officer is authorised as an observer to attend, but not count in the quorum, vote, or otherwise entitled to participate in any meetings of the Board or any committee of the Board, and shall be entitled to receive all written materials and other information given to Directors in connection with any meetings of the Board or any committee of the Board at the

same time and in the same manner that those materials or information are given to the Directors or the members of any committee of the Board, except for attendance at meetings or receipt of materials or information that, upon the determination of the Board, constitutes or could constitute a conflict of interest or adversely affect the attorney-client privilege. For the avoidance of doubt, the Chief Executive Officer in his capacity as Board observer shall not have voting rights but shall be bound by the same confidentiality obligations as the members of the Board.

48. DELEGATION TO COMMITTEES

48.1. The Board may delegate any of its powers, authorities and discretions (including the power to sub-delegate) to a committee consisting of one or more persons (whether a member or members of the Board or not) as it thinks fit, provided that every such committee shall (a) not comprise of a majority of persons who are resident in the United Kingdom, and (b) conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by (i) the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board, and (ii) the rules and regulations of any Relevant Exchange.

48.2. A committee may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the committee).

48.3. Such committee or committees shall have such name or names as may be determined from time to time by resolution of the Board.

48.4. The Board may retain or exclude its right to exercise the delegated powers, authorities or discretions collaterally with the committee. The Board may at any time revoke the delegation or alter any terms and conditions or discharge the committee in whole or in part. Where a provision of these Bye-laws refers to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee, save that no committee shall have the power or authority to:

(a) adopt an agreement of merger, amalgamation, consolidation, scheme of arrangement or similar arrangement;

(b) recommend to the Members the sale, lease or exchange of all or substantially all of the Company's property and assets;

(c) recommend to the Members a winding up or dissolution of the Company or a revocation of a winding up or dissolution; or

(d) unless the resolution of the Board constituting the committee expressly provides as such, to declare a dividend or to authorise the allotment or issue of shares.

48.5. Committee membership designations shall be subject to provisions regarding Independence or other qualifications for committee service which may be imposed by Applicable Laws, rules or regulations (including the rules and regulations of any Relevant Exchange).

48.6. As soon as reasonably practicable following the adoption of these Bye-laws, the Board shall establish the Audit Committee and the Joint Nomination and Remuneration Committee, each comprising of Independent Directors, and approve committee charters in respect of the same, in each case by reference to Applicable Law (and the rules and regulations of any Relevant Exchange or, if the Company's shares are not then listed, the Oslo Stock Exchange and/or the New York Stock Exchange).

49. REGISTER OF DIRECTORS AND OFFICERS

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

50. APPOINTMENT AND REMOVAL OF OFFICERS

The Board may appoint such Officers (who may or may not be Directors), including the office of the Chief Executive Officer, as the Board may determine for such terms as the Board deems fit and may remove any Officers at its discretion. The majority of Executive Officers shall not be citizens or residents of the United States.

51. APPOINTMENT OF SECRETARY

The Secretary shall be appointed by the Board from time to time for such term as the Board deems fit.

52. DUTIES OF OFFICERS

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

53. REMUNERATION OF OFFICERS

The Officers shall receive such remuneration as the Board may determine.

54. CONFLICTS OF INTEREST

54.1. Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company on such terms, including with respect to remuneration, as may be agreed between the parties. Nothing herein contained shall authorise a Director or a Director's firm, partner or company to act as Auditor to the Company.

54.2. A Director who is directly or indirectly interested in a contract or proposed contract, transaction or arrangement with the Company (an "Interested Director") shall promptly declare the nature of

such interest as required by the Act and any other requirements of Applicable Law, rules or regulations (including the rules and regulations of any Relevant Exchange).

54.3. An Interested Director who has complied with the requirements of the foregoing Bye-law may not vote in respect of such contract or proposed contract but may, at the discretion of the uninterested directors present at the meeting, attend, and be counted in the quorum for the meeting at which the contract or proposed contract, transaction or arrangement is to be voted on.

54.4. No contract or proposed contract, transaction or arrangement shall be void or voidable by reason only that the Interested Director was counted in the quorum of the relevant meeting or signed a written resolution of the Board in respect thereof to achieve unanimity, and the Interested Director shall not be liable to account to the Company for any profit realised thereby.

55. INDEMNIFICATION AND EXCULPATION OF DIRECTORS AND OFFICERS

55.1. The Directors, Resident Representative, Secretary and other Officers (such term to include any person appointed to any committee by the Board) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an "indemnified party"), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.

55.2. The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by

virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

55.3. The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty in relation to the Company is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

56. BOARD MEETINGS

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit, provided that the Board shall meet at least once every three months, and any physical meeting of the Board shall not take place in Norway or the United Kingdom. Subject to these Bye-laws, a resolution put to the vote at a Board meeting shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

57. NOTICE OF BOARD MEETINGS

57.1. Subject to Bye-law 57.2, a Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting on at least five (5) Business Days' notice, save that all Directors may prospectively or all Directors present at the time of any meeting at which a quorum exists, waive the requisite length of notice of such meeting (with their attendance being sufficient to indicate their agreement to waive notice).

57.2. The chairman of the Board may, if he or she deems a situation to be an emergency which requires urgent attention, convene a Board meeting on such shorter notice as he or she sees fit, such determination to be conclusively evidenced by the convening of such meeting.

57.3. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

58. ELECTRONIC PARTICIPATION IN MEETINGS

Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting, provided that the majority of Directors participating in the meeting (including the Chairman) shall not be physically located in the United Kingdom or Norway. Any such meeting shall be opened in and originate from Bermuda and if all the Directors participating in such meeting are not in the same place, they may decide that the

meeting is be deemed as taking place wherever any of them is, but under no circumstances can they decide that the meeting is deemed to have taken place in the United Kingdom or Norway.

59. QUORUM AT BOARD MEETINGS

The quorum necessary for the transaction of business at a Board meeting shall be a simple majority of the Directors for the time being in office who are neither (i) resident in the United Kingdom nor (ii) present in the United Kingdom at the time of the meeting. If there are only two (2) Directors for the time being in office, the quorum shall be two (2) Directors whom may act for the purposes set out in Bye-law 60 only, and if there is only one (1) Director for the time being in office, the quorum shall be one (1) Director whom may act for the purposes set out in Bye-law 60 only.

60. BOARD TO CONTINUE IN THE EVENT OF VACANCY

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at Board meetings, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

61. CHAIRMAN TO PRESIDE

The chairman of the Company, if there be one who is present, shall act as chairman at such Board meeting. In their absence a chairman of the meeting shall be appointed or elected by a majority of the Directors present at the board meeting.

62. WRITTEN RESOLUTIONS

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a Board meeting duly called and constituted, such resolution to be effective on the date on which the resolution is signed by the last Director, and provided always that a majority of the Directors signing are not present in the United Kingdom at the time of signature.

63. VALIDITY OF PRIOR ACTS OF THE BOARD

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

64. MINUTES

The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each Board meeting and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Members, Board meetings, and meetings of committees appointed by the Board.

65. PLACE WHERE CORPORATE RECORDS KEPT

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

66. INFORMATION RIGHTS

66.1. The Company shall provide or make available to all Members such information as is required by financial disclosure requirements under Applicable Law, the Exchange Act and the rules of any Relevant Exchange.

66.2. All Members who hold at least 5% of the issued and outstanding voting shares of the Company shall be entitled to receive, upon written request to the Company and, to the extent not already filed by the Company with the Securities Exchange Commission or already made available pursuant to Applicable Law, the Exchange Act or the rules of any Relevant Exchange:

(a) audited consolidated annual financial statements;

(b) unaudited consolidated quarterly financial statements;

(c) unaudited semi-annual Company briefing;

(d) such information and/or documents which are provided to the lenders under the Company's senior credit facility from time to time (which as of the date hereof is the New First Lien Facility), subject to the relevant Members entering into customary confidentiality arrangements and any requirements of Applicable Law; and

(e) any further information and/or documents which is reasonably required by such Members for regulatory and compliance purposes, subject to customary exemptions which shall include confidentiality, data protection restrictions and any requirements of Applicable Law.

66.3. Members who hold (i) 7% or more of the issued and outstanding voting shares of the Company as at the Plan Effective Date; or (ii) 10% or more of the issued and outstanding voting shares of the Company at any time after the Plan Effective Date shall be entitled to receive upon written request to the Company a summary of all material information provided to the Board, on the terms set out in this Bye-law 66, provided that the Company is satisfied that each such Member (1) is subject to appropriate confidentiality arrangements; (2) is restricted from dealing in the Company's equity securities in accordance with "insider dealing" laws and regulations pursuant to Applicable Law; (3) will not have any "cleansing rights" to require the Company to publicly disclose relevant information; and (4) may receive the information pursuant to Applicable Laws.

66.4. Promptly following any request therefor, the Company shall use its reasonable efforts to furnish to any Initial Member information and documentation reasonably requested by such Initial Member for purposes of such Initial Member's compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act of 2001 and 31 C.F.R. § 1010.230.

67. FORM AND USE OF SEAL

67.1. The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda, but in no event in the United Kingdom.

67.2. A seal may, but need not, be affixed to any deed, instrument or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

67.3. A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

68. RECORDS OF ACCOUNT

68.1. The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

68.2. Such records of account shall be kept at the registered office of the Company or, subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

68.3. Such records of account shall be retained for a minimum period of five years from the date on which they are prepared.

69. FINANCIAL YEAR END

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

AUDITS

70. ANNUAL AUDIT

Subject to Applicable Law, rules or regulations (including the rules and regulations of any Relevant Exchange) and any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

71. APPOINTMENT OF AUDITOR

71.1. Subject to the Act and any other requirements of Applicable Law, rules or regulations (including the rules and regulations of any Relevant Exchange), the Members shall appoint, or shall approve the appointment of, an auditor to the Company to hold office for such term as the Members deem fit or until a successor is appointed.

71.2. The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

72. REMUNERATION OF AUDITOR

72.1. The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting or in such manner as the Members may determine.

72.2. The remuneration of an Auditor appointed by the Board to fill a casual vacancy in accordance with these Bye-laws shall be fixed by the Board.

73. DUTIES OF AUDITOR

73.1. The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

73.2. The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

74. ACCESS TO RECORDS

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers for any information in their possession relating to the books or affairs of the Company.

75. FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT

75.1. Subject to the following Bye-law 75.2, the financial statements and/or the auditor's report as required by the Act shall

(a) be laid before the Members at the annual general meeting; or

(b) be received, accepted, adopted or approved by the Members by written resolution passed in accordance with these Bye-laws.

75.2. If all Members and Directors shall agree, either in writing or at a meeting, that in respect of a particular interval no financial statements and/or auditor's report thereon need be made available to the Members, and/or that no auditor shall be appointed then there shall be no obligation on the Company to do so.

76. VACANCY IN THE OFFICE OF AUDITOR

The Board may fill any casual vacancy in the office of the auditor.

77. MERGERS OR AMALGAMATIONS

In respect of any merger or amalgamation of the Company with any other company or corporation, wherever incorporated, which the Act requires to be approved by the Members, the necessary general meeting quorum shall be two or more persons throughout the meeting and representing in person or by proxy in excess of 25% of the total voting rights of all issued and outstanding shares of the Company and the Members' approval shall be as set out in Bye-law 28 respectively.

VOLUNTARY WINDING-UP AND DISSOLUTION

78. WINDING-UP

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

79. CHANGES TO BYE-LAWS

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Act and until the same has been approved by a resolution of the Board and by a resolution of the Members including the affirmative vote of not less than two-thirds of all votes cast at a general meeting.

80. DISCONTINUANCE

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

Registration No. 202100496

GOVERNMENT OF BERMUDA

Registrar of Companies

The Companies Act 1981

CERTIFICATE OF CHANGE OF NAME

I HEREBY CERTIFY that in accordance with section 10 of **the Companies Act 1981** Seadrill 2021 Limited by resolution and with the approval of the Registrar of Companies has changed its name and was registered as Seadrill Limited on the 22nd day of February 2022.

Kenneth Joaquin

Registrar of Companies

22nd day of February 2022

REGISTRAR OF COMPANIES BERMUDA

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
	)	
SEADRILL LIMITED, *et al*.,[1]	)	Case No. 21-30427 (DRJ)
	)	
Debtors.	)	(Jointly Administered)
	)	

SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SEADRILL LIMITED AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

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- and -

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Co-Counsel to the Debtors and Debtors in Possession

Dated: October 22, 2021

[1] A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at http://cases.primeclerk.com/SeadrillLimited. The location of Debtor Seadrill Americas, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 11025 Equity Drive, Suite 150, Houston, Texas 77041.

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INTRODUCTION

Seadrill Limited and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (each, a "Debtor," and collectively, the "Debtors") jointly propose this Plan. Capitalized terms used in the Plan shall have the meanings set forth in Article I.A of the Plan. The Debtors seek to consummate the Restructuring Transactions on the Effective Date of the Plan. Each Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan does not contemplate substantive consolidation of any of the Debtors. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, business, properties and operations, projections, risk factors, a summary and analysis of the Plan, the Restructuring Transactions, and certain related matters.

ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY, PARTICULARLY HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW, AND OTHER REFERENCES

A. Defined Terms

1. "*510(b) Claim*" means any Claim arising from rescission of a purchase or sale of an equity security of the Debtors or an Affiliate of the Debtors for damages arising from the purchase or sale of such an equity security or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim.

2. "*Accepting Silo Debtor*" means any Silo Debtor where the holders of Allowed Credit Agreement Claims against such Silo Debtor have voted to accept the Plan in accordance with section 1126 of the Bankruptcy Code by the Voting Deadline.

3. "*Accredited Investor*" has the meaning given to such term in Rule 501 of Regulation D promulgated under the Securities Act.

4. "*Ad Hoc Group*" means the group of lenders that hold Credit Agreement Claims as disclosed in the *Supplemental Verified Statement Regarding Ad Hoc Group of Lenders Pursuant to Bankruptcy Rule 2019* [Docket No. 720], as may be amended from time to time.

5. "*Administrative Claim*" means a Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date until and including the Effective Date of preserving the Estates and operating the Debtors' businesses; (b) Allowed Professional Fee Claims; (c) the Independent Director Compensation Claims; and (d) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

6. "*Administrative Claims Bar Date*" means the deadline for Filing requests for payment of Administrative Claims, which: (a) with respect to Administrative Claims other than Professional Fee Claims, shall be 30 days after the Effective Date; and (b) with respect to Professional Fee Claims, shall be 45 days after the Effective Date.

7. "*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code. With respect to any Entity that is not a Debtor, the term "Affiliate" shall apply to such Entity as if the Entity were a Debtor.

8. "*Agent*" means each facility agent, common security agent, or collateral agent under any of the Prepetition Credit Facilities, Prepetition Finance Documents, or Guarantee Facilities, as applicable, including any predecessors or successors thereto.

9. "*Allowed*" means, with respect to any Claim, except as otherwise provided herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the Claims Bar Date (or such other date as agreed by the Debtors pursuant to the Bar Date Order) or a request for payment of an Administrative Claim Filed by the Administrative Claims Bar Date, as applicable (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to the Cash Collateral Order or any other Final Order, a Proof of Claim or request for payment of Administrative Claim is not or

shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided*, that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that with respect to such Claim no objection to the allowance thereof is interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim has been Allowed by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no contrary or superseding Proof of Claim is or has been timely Filed, or that is not or has not been Allowed by a Final Order, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes the applicable Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt, a Proof of Claim Filed after the Claims Bar Date or a request for payment of an Administrative Claim Filed after the Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim. "Allow" and "Allowing" shall have correlative meanings.

10. "*Amended SFL Charters*" means, collectively, any new or amended head-charter or sub-charter agreements the Debtors or Reorganized Debtors, as applicable, and SFL enter into with respect to the *West Hercules* and *West Linus* drilling rigs, which, to the extent applicable, will be executed by the applicable Reorganized Debtor(s) on the Effective Date or on an earlier date in accordance with any Final Orders authorizing assumption of such Amended SFL Charters, as applicable, in full satisfaction of the Claims under each applicable Prepetition Hercules Charters and Prepetition Linus Charters, respectively.

11. "*AOD*" means Asia Offshore Drilling Limited, a company incorporated under the Laws of Bermuda with registration number 44712.

12. "*AOD Cash-Out*" has the meaning set forth in Article III.B.4.c.i herein.

13. "*AOD Entities*" means AOD, Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited, and Asia Offshore Rig 3 Limited.

14. "*AOD Gross-Up Equity*" means the amount, if any, of the New Seadrill Common Shares that would have been distributed to holders of AOD Credit Agreement Claims but for their election of the AOD Cash-Out.

15. "*AOD Gross-Up Recovery*" means, collectively, the AOD Gross-Up Subscription Rights and the AOD Gross-Up Equity (but excludes the AOD Unsubscribed Second Lien Debt).

16. "*AOD Gross-Up Subscription Rights*" means the Subscription Rights, if any, not distributed to holders of AOD Credit Agreement Claims that elect the AOD Cash-Out treatment that otherwise would have been distributed to such holders.

17. "*AOD Non-Cash Recovery*" has the meaning set forth in Article III.B.4.c.ii herein.

18. "*AOD Postpetition Interest*" means any accrued and unpaid interest accruing on or after the Petition Date, including, without limitation, interest at the default rate as provided under the Prepetition AOD Credit Agreement and any increase of the Applicable Margin as a result of any Margin Increase Trigger (both as defined in the Prepetition AOD Credit Agreement) with respect to any obligations under the Prepetition AOD Credit Agreement.

19. "*AOD Unsubscribed Second Lien Debt*" means the principal amount, if any, of the New Second Lien Facility that would have been distributed to holders of AOD Credit Agreement Claims but for their election of the AOD Cash-Out.

20. "*Assumed Executory Contract and Unexpired Lease List*" means the list of Executory Contracts and Unexpired Leases that will be assumed by the Reorganized Debtors pursuant to the Plan, which list shall be included in the Plan Supplement.

21. "*Avoidance Actions*" means any and all avoidance, recovery, subordination, or other claims, actions, or remedies that may be brought by or on behalf of the Debtors or their Estates or other authorized parties in interest under the Bankruptcy Code or applicable non-bankruptcy law, including actions or remedies under sections

502, 510, 542, 544, 545, and 547 through and including 553 of the Bankruptcy Code, or other similar or related state, federal, or foreign statutes, common law, or other applicable law.

22. "*Backstop Commitment*" means the Backstop Parties' commitment to backstop the New First Lien Facility on the terms and conditions set forth in the Backstop Commitment Letter.

23. "*Backstop Commitment Letter*" means the Backstop Commitment Letter dated as of July 23, 2021.

24. "*Backstop Participation Equity*" has the meaning set forth in Article IV.C.1 herein.

25. "*Backstop Parties*" has the meaning set forth in the Backstop Commitment Letter.

26. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

27. "*Bankruptcy Court*" means the United States Bankruptcy Court for the Southern District of Texas, Houston Division or such other court having jurisdiction over the Chapter 11 Cases.

28. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court.

29. "*Bar Date Order*" means the *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form of and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief.* [Docket No. 600].

30. "*Bermuda Court*" means the Supreme Court of Bermuda.

31. "*Bermuda Dissolution Proceedings*" means the liquidation proceedings under Bermuda law under which Seadrill Limited will be wound up and dissolved.

32. "*Business Day*" means any day, other than a Saturday, Sunday, or a "legal holiday," as defined in Bankruptcy Rule 9006(a).

33. "*Cash*" means the legal tender of the United States of America or the equivalent thereof, including bank deposits and checks.

34. "*CashPoolCo*" means Seadrill Treasury UK Limited.

35. "*Cash Collateral Order*" means, collectively, the *Final Order (I) Authorizing the Use of the Debtors' Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 253], the *Order (I) Authorizing the Continued Use of Cash Collateral and (II) Granting Related Relief* [Docket No. 671], the *Stipulation and Agreed Order Among the Debtors, the CoCom, and the Ad Hoc Group Extending a Deadline in the Cash Collateral Order* [Docket No. 803], the *Stipulation and Agreed Order Among the Debtors, the CoCom, and the Ad Hoc Group Extending a Deadline in the Cash Collateral Order* [Docket No. 882], and the *Order (I) Authorizing Use of the Debtors' Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* [Docket No. 950], as amended or extended from time to time.

36. "*Cause of Action*" means any action, claim, cause of action, controversy, demand, right, action, Lien, indemnity, interest, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. For the avoidance of doubt, "*Cause of Action*" includes: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) any claim based on or relating to, or in any manner arising from, in whole or in part, tort, breach of contract, breach of fiduciary duty, violation of state or federal law or breach of any duty imposed by law or in equity, including securities laws, negligence, and gross negligence; (c) the right to object to Claims or Interests; (d) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (e) any claim or

defense, including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; (f) any state or foreign law fraudulent transfer or similar claim; and (g) any other Avoidance Action.

37. "*Certificate*" means any instrument evidencing a Claim or an Interest.

38. "*Chapter 11 Cases*" means the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court pursuant to the *Order (I) Directing Joint Administration of the Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 27].

39. "*Claim*" means a claim, as defined in section 101(5) of the Bankruptcy Code.

40. "*Claims Bar Date*" means the applicable bar date by which Proofs of Claim must be Filed, as established by: (a) the Bar Date Order; (b) a Final Order of the Bankruptcy Court; or (c) the Plan.

41. "*Claims Register*" means the official register of Claims against the Debtors maintained by the Clerk of the Bankruptcy Court or the Notice and Claims Agent.

42. "*Class*" means a category of holders of Claims or Interests under section 1122(a) of the Bankruptcy Code.

43. "*CoCom*" means the coordinating committee of agents and lenders that hold Credit Agreement Claims, as disclosed in the *Verified Statement of the Coordinating Committee of Secured Lenders and Agents Pursuant to Bankruptcy Rule 2019* [Docket No. 220], as may be amended from time to time.

44. "*Commitment Premium*" has the meaning set forth in Article IV.C.1 herein.

45. "*Compensation and Benefits Programs*" means all employment and severance agreements and policies, and all employment, wages, compensation, and benefit plans and policies, workers' compensation programs, savings plans, retirement plans, deferred compensation plans, supplemental executive retirement plans, healthcare plans, disability plans, severance benefit plans, incentive and retention plans, programs, and payments, life and accidental death and dismemberment insurance plans and programs of the Debtors, and all amendments and modifications thereto, applicable to the Debtors' employees, former employees, retirees, and non-employee directors and managers and the employees, former employees and retirees of their subsidiaries, in each case existing with the Debtors as of immediately prior to the Effective Date.

46. "*Confirmation*" means entry of the Confirmation Order on the docket of the Chapter 11 Cases.

47. "*Confirmation Date*" means the date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

48. "*Confirmation Hearing*" means the hearing(s) before the Bankruptcy Court under section 1128 of the Bankruptcy Code at which the Debtors seek entry of the Confirmation Order.

49. "*Confirmation Order*" means the order of the Bankruptcy Court confirming the Plan under section 1129 of the Bankruptcy Code.

50. "*Consenting Lenders*" has the meaning set forth in the Plan Support Agreement.

51. "*Consenting Stakeholders*" has the meaning set forth in the Plan Support Agreement.

52. "*Consummation*" means the occurrence of the Effective Date.

53. "*Convertible Bonds*" means the $50 million in principal amount of senior unsecured convertible bonds convertible into New Seadrill Common Shares on the terms and conditions set forth in the Convertible Bonds Term Sheet.

54. "*Convertible Bonds Equity*" means the New Seadrill Common Shares into which the Convertible Bonds are convertible on the terms set forth in the Convertible Bonds Term Sheet.

55. "*Convertible Bonds Term Sheet*" means the term sheet that governs the terms and conditions of the Convertible Bonds, which is attached as Exhibit I to the Plan Support Agreement.

56. "*Credit Agreement Claim*" means any Claim arising under a Prepetition Credit Agreement or the Prepetition Finance Documents corresponding to that Prepetition Credit Agreement, including Claims based on a Debtor's guarantee of obligations thereunder. Each Credit Agreement Claim is defined below in the definition of Prepetition Credit Agreements.

57. "*Cure*" means the payment of a Claim (unless waived or modified by the applicable counterparty) based upon a Debtor's defaults under an Executory Contract or an Unexpired Lease assumed by such Debtor under section 365 of the Bankruptcy Code, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

58. "*Debtor*" or "*Debtors*" has the meaning provided in the preamble of this Plan.

59. "*Definitive Documents*" means the definitive documents and agreements governing the Restructuring Transactions (including any related orders, agreements, instruments, schedules, or exhibits) that are contemplated by and referenced in the Plan (as amended, modified, or supplemented from time to time), including: (i) the Plan Support Agreement (and all exhibits and other documents and instruments related thereto); (ii) the Plan and the Plan Supplement (and all exhibits and other documents and instruments related thereto and included therein); (iii) the Disclosure Statement and the Solicitation Materials; (iv) the Confirmation Order; (v) the New Organizational Documents; (vi) the New Finance Documents; (vii) the Cash Collateral Order and any amendment, supplement, or extension with respect thereto; (viii) the Amended SFL Charters, if applicable; (ix) the Description of Transaction Steps; (x) the Management Incentive Plan; (xi) the NSN Agreement; (xii) the Backstop Commitment Letter; (xiii) the Rights Offering Documents (including the Rights Offering Procedures); (xiv) the registration rights agreement as between the Debtors and the Required Backstop Parties (which shall be in form and substance reasonably acceptable to the Debtors and the Backstop Parties); (xv) any other document or agreement necessary or advisable to be entered into, adopted, or filed to implement the Restructuring Transactions; (xvi) any motion, brief, or pleading filed by the Debtors or by any Company Party (as defined in the Plan Support Agreement) or its "foreign representative" (or equivalent, as applicable) in any related proceeding, including any motion, brief, or pleading seeking approval or confirmation of any of the foregoing Definitive Documents; and (xvii) any proposed order to approve any of the foregoing, which shall be in each case in form and substance reasonably acceptable to the CoCom and Ad Hoc Group.

60. "*De Minimis Asset Sale Order*" means the *Order Approving Procedures for De Minimis Asset Transactions* [Docket No. 305].

61. "*Description of Transaction Steps*" means the description of the steps to be carried out to effectuate the Restructuring Transactions in accordance with the Plan and as set forth in the Plan Supplement.

62. "*Disclosure Statement*" means the *Disclosure Statement Relating to the Joint Chapter 11 Plan of Reorganization of Seadrill Limited and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated as of July 24, 2021, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

63. "*Disclosure Statement Order*" means a Final Order of the Bankruptcy Court approving the Disclosure Statement.

64. "*Disputed*" means a Claim or an Interest or any portion thereof: (a) that is not Allowed; (b) that is not disallowed under the Plan, the Bankruptcy Code, or a Final Order, as applicable; and (c) with respect to which a party in interest has Filed a Proof of Claim or otherwise made a written request to a Debtor for payment, without any further notice to or action, order, or approval of the Bankruptcy Court.

65. "*Distribution Agent*" means, as applicable, the Reorganized Debtors or any Entity the Reorganized Debtors select to make or to facilitate distributions in accordance with the Plan; *provided*, *however*, that all distributions on account of Credit Agreement Claims shall be made by (i) the entry into the New First Lien Facility Agreement and New Second Lien Facility Agreement in accordance with the New Credit Facility Finance Documents and Article IV.C of the Plan, (ii) the distribution of New Seadrill Common Shares as set forth in Article IV.C.2 of the Plan, and (iii) the distribution of Net Scrap Proceeds as set forth in Article IV.C.6 of the Plan.

66. "*Distribution Date*" means, except as otherwise set forth herein, the date or dates determined by the Debtors or the Reorganized Debtors, on or after the Effective Date, upon which the Distribution Agent shall make distributions to holders of Allowed Claims entitled to receive distributions under the Plan; *provided*, *however*, that all distributions on account of Credit Agreement Claims shall be made by (i) the entry into the New First Lien Facility Agreement and New Second Lien Facility Agreement in accordance with the New Credit Facility Finance Documents and Article IV.C of the Plan, (ii) the distribution of New Seadrill Common Shares as set forth in Article IV.C.2 of the Plan, or (iii) the distribution of Net Scrap Proceeds as set forth in Article IV.C.6 of the Plan.

67. "*DTC*" means the Depository Trust Company.

68. "*ECA Covered Lender*" means each lender that is a beneficiary of one or more Seadrill ECA Guarantees.

69. "*Effective Date*" means the date that is the first Business Day after the Confirmation Date on which all conditions precedent to the occurrence of the Effective Date set forth in Article IX.A of the Plan have been satisfied or waived in accordance with Article IX.B of the Plan or such other date as may be agreed among the Debtors, the Ad Hoc Group, and the CoCom.

70. "*Entity*" has the meaning set forth in section 101(15) of the Bankruptcy Code.

71. "*Equity Recovery*" means the New Seadrill Common Shares, if any, issued to Holders of Interests in Class 9.

72. "*Estate*" means the estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor's Chapter 11 Case.

73. "*Exculpated Party*" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the CoCom and each member of the CoCom; (d) the Ad Hoc Group and each member of the Ad Hoc Group; (e) the Backstop Parties; (f) the Consenting Stakeholders; (g) GLAS; (h) each current and former Affiliate of each Entity in clause (a) through the following clause (i); and (i) each Related Party of each Entity in clause (a) through this clause (i); *provided* that no Seadrill ECA shall be an Exculpated Party in respect of any Causes of Action, whether known or unknown, based on or relating to, or in any manner arising from, in whole or in part, the Seadrill ECA Guarantees or Prepetition Credit Agreements; *provided, further*, that none of SFL or Northern Ocean, nor any wholly-owned Affiliate thereof, shall be Exculpated Parties.

74. "*Executory Contract*" means a contract or lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

75. "*Extinguished*" means the extinguishment of economic interests pursuant to Bermuda law.

76. "*File*," "*Filed*," or "*Filing*" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or, with respect to the filing of a Proof of Claim, the Notice and Claims Agent or the Bankruptcy Court.

77. "*Final Decree*" means the decree contemplated under Bankruptcy Rule 3022.

78. "*Final Order*" means an order of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, modified or amended, that is not stayed, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be Filed has been resolved by the highest court to which the order could be appealed or from which certiorari could be sought or the new trial, reargument or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.

79. "*General Unsecured Claim*" means any unsecured Claim against a Debtor that is not: (a) paid in full prior to the Effective Date pursuant to an order of the Bankruptcy Court; (b) an Administrative Claim; (c) any portion of a Credit Agreement Claim that is a Secured Claim; (d) an Intercompany Claim; (e) a Claim under section 510(b) of the Bankruptcy Code; (f) an Other Priority Claim; (g) an Other Secured Claim; (h) a Priority Tax Claim; (i) a Professional Fee Claim; (j) a Specified Trade Claim; or (k) any Claim for damages arising from the rejection of the Prepetition Linus Charters, solely in the amount of the applicable pledged earnings accounts and receivables as of the Effective Date. For the avoidance of doubt, the following are General Unsecured Claims: (a) any portion of a Credit Agreement Claim that is not a Secured Claim; (b) any Claim that arises out of the rejection of the Prepetition Taurus Charter; and (c) any portion of a Claim that arises out of the rejection of the

Prepetition Linus Charters in excess of the amount of the applicable pledged earnings accounts and receivables as of the Effective Date.

80. "*Governmental Unit*" has the meaning set forth in section 101(27) of the Bankruptcy Code.

81. "*Guarantee Facilities*" means (i) the $35 million postpetition guarantee facility entered into between RigCo and DNB Bank ASA dated 11 March 2021 pursuant to the *Order (I) Authorizing Debtor Seadrill Rig Holding Company Limited to Enter into a New Guarantee Facility Agreement, (II) Modifying the Automatic Stay with Respect Thereto, and (III) Granting Related Relief* [Docket No. 311] and (ii) the $45 million guarantee facility maintained with Danske Bank A/S pursuant to the guarantee facility agreement between RigCo and Danske Bank dated June 15, 2018, as amended and restated.

82. "*Guarantee Facility Claim*" means any Claim against the Debtors under the Guarantee Facilities.

83. "*Hemen*" means Hemen Holding Ltd., a company incorporated under the laws of Bermuda.

84. "*Impaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

85. "*Indemnification Provisions*" means each of the Debtors' indemnification provisions currently in place, whether in the Debtors' bylaws, certificates of incorporation, other formation documents, board resolutions, indemnification agreements, employment agreements, engagement letters, or other contracts, for the current and former directors, officers, managers, employees, attorneys, other professionals, and agents of the Debtors and such current and former directors', officers', managers', employees', attorneys', other professionals', and agents' respective Affiliates.

86. "*Independent Director Compensation Claims"* means all unpaid compensation as of the Effective Date due to the independent directors of NADL pursuant to their respective engagement letters, as authorized by the *Order Authorizing and Approving the Appointment of the Independent Directors to the Board of Debtor Seadrill North Atlantic Holdings Limited* [Docket No. 601]. On the Effective Date, the Independent Director Compensation Claims shall be deemed Allowed Administrative Claims.

87. "*Insider*" has the meaning set forth in section 101(31) of the Bankruptcy Code.

88. "*Insurance Policies*" means all insurance policies issued or providing coverage at any time to any of the Debtors or any of their predecessors and all agreements, documents, letters of indemnity, or instruments relating thereto.

89. "*Insurer*" means any company or other entity that has issued or entered into an Insurance Policy, any third party administrator, and any respective predecessors and/or affiliates thereof.

90. "*Intercompany Claim*" means any Claim against a Debtor held by another Debtor; *provided* that, for the avoidance of doubt, Intercompany Claims shall not include any Claims against a Debtor held by any non-Debtor Affiliates.

91. "*Intercompany Interest*" means any common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of any Debtor, including, without limitation, options, warrants, rights, or other securities or agreements to acquire the common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (whether or not arising under or in connection with any employment agreement), in a Debtor held by another Debtor.

92. "*Interest*" means the common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests of any Debtor, including, without limitation, options, warrants, rights, or other securities or agreements to acquire the common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (whether or not arising under or in connection with any employment agreement); *provided*, *however*, that the term "Interests" shall not include Intercompany Interests.

93. "*Lien*" has the meaning set forth in section 101(37) of the Bankruptcy Code.

94. "*Management Incentive Plan*" means any employee incentive plan that is implemented by the Reorganized Debtors on or after the Effective Date at the sole discretion of the board of directors of Reorganized

Seadrill for which will be reserved 5.5% of the New Seadrill Common Shares on a fully diluted, fully distributed basis for grants made from time to time to employees of the Reorganized Debtors; *provided*, that: (a) no allocations of such New Seadrill Common Shares shall be made earlier than 120 days following the occurrence of the Effective Date, during which time the board of directors of Reorganized Seadrill will conduct a comprehensive evaluation of Reorganized Seadrill's management team and structure in order to determine and communicate the appropriate level of individual allocations (if any) on the date that is 120 days following the occurrence of the Effective Date; (b) any changes to the amount of New Seadrill Common Shares reserved for any such employee incentive plan that are made at any time within twelve months of the occurrence of the Effective Date shall require the affirmative vote of 75% of Reorganized Seadrill shareholders present and voting at a general meeting of Reorganized Seadrill; (c) any changes to the amount of New Seadrill Common Shares reserved for any such employee incentive plan that are made at any time following twelve months after the occurrence of the Effective Date shall require the affirmative vote of 50.1% of Reorganized Seadrill shareholders present and voting at a general meeting of Reorganized Seadrill; and (d) all other details of any such employee incentive plan, with the exception of those set forth in clauses (b) and (c), shall be determined solely at the discretion of the board of directors of Reorganized Seadrill.

95. "*NADL*" means Seadrill North Atlantic Holdings Limited, a company incorporated under the Laws of Bermuda with registration number 53444.

96. "*Net Scrap Proceeds*" means any proceeds of Rigs recycled pursuant to the De Minimis Asset Sale Order, any other order of the Bankruptcy Court, or as set forth in the Plan Supplement that are attributable to the applicable Prepetition Credit Facility for which such Rigs served as collateral.

97. "*New Credit Facility Finance Documents*" means the New First Lien Facility Agreement, the New Second Lien Facility Agreement, and all other agreements, documents, and instruments delivered or entered into in connection therewith, including any guarantee statements, pledge and collateral agreements, UCC financing statements or other perfection documents, intercreditor agreements, subordination agreements, fee letters, and other security documents, which will set forth the terms of the New First Lien Facility and the New Second Lien Facility.

98. "*New Credit Facility Term Sheet*" means the New Credit Facility Term Sheet attached as Exhibit C to the Plan Support Agreement as may be amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms of the New Credit Facility Term Sheet and the Plan Support Agreement.

99. "*New Finance Documents*" means, collectively, the New Credit Facility Finance Documents and, if the Debtors or Reorganized Debtors, as applicable, enter into the Amended SFL Charters, all related agreements, indentures, documents (including security, collateral, or pledge agreements or documents), mortgages, or instruments to be executed or delivered in connection with the Amended SFL Charters.

100. "*New First Lien Facility*" means the new $300 million credit facility, secured by a first lien on substantially all the assets of the Reorganized Debtors and otherwise on the terms set forth in the New First Lien Facility Finance Documents, to be entered into by the lenders thereunder and the Reorganized Debtors on the Effective Date in exchange for Cash.

101. "*New First Lien Facility Agreement*" means the credit agreement for the New First Lien Facility, substantially in the form included in the Plan Supplement.

102. "*New First Lien Facility Finance Documents*" means the New First Lien Facility Agreement and all other agreements, documents, and instruments delivered or entered into in connection therewith, including any guarantee statements, pledge and collateral agreements, UCC financing statements or other perfection documents, intercreditor agreements, subordination agreements, fee letters, and other security documents, which will set forth the terms of the New First Lien Facility.

103. "*New-Money Equity*" means the Rights Offering Participation Equity and the Backstop Participation Equity, to be issued to the lenders pursuant to the Subscription Rights and the Backstop Commitment Letter on the Effective Date.

104. "*New Organizational Documents*" means the documents providing for corporate governance of the Reorganized Debtors, including charters, bylaws, operating agreements, or other organizational documents or shareholders' agreements, as applicable, consistent with section 1123(a)(6) of the Bankruptcy Code (as applicable).

105. "*New Seadrill Common Shares*" means the new common shares in Reorganized Seadrill issued on the Effective Date.

106. "*New Second Lien Facility*" means the new $750 million credit facility (subject to reduction on account of the AOD Cash-Out), secured by a second lien on substantially all assets of the Reorganized Debtors and otherwise on the terms set forth in the New Second Lien Facility Finance Documents, to be entered into by the Reorganized Debtors on the Effective Date and distributed to holders of Credit Agreement Claims on account of their prepetition Credit Agreement Claims in the manner set forth in the Plan.

107. "*New Second Lien Facility Agreement*" means the credit agreement for the New Second Lien Facility, substantially in the form included in the Plan Supplement.

108. "*New Second Lien Facility Finance Documents*" means the New Second Lien Facility Agreement and all other agreements, documents, and instruments delivered or entered into in connection therewith, including any guarantee statements, pledge and collateral agreements, UCC financing statements or other perfection documents, intercreditor agreements, subordination agreements, fee letters, and other security documents, which will set forth the terms of the New Second Lien Facility.

109. "*Northern Ocean*" means Northern Ocean Ltd., a company incorporated under the laws of Bermuda.

110. "*Notice and Claims Agent*" means Prime Clerk LLC, the notice, claims, and solicitation agent for the Debtors in the Chapter 11 Cases.

111. "*NSNCo*" means non-Debtor Seadrill New Finance Limited.

112. "*NSN Agreement*" means the agreement dated July 2, 2021 between NSNCo and certain holders of the Prepetition Secured Notes regarding a restructuring of NSNCo's indebtedness and pursuant to which all Prepetition Secured Notes Claims will be waived.

113. "*Other Priority Claim*" means any Claim other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

114. "*Other Secured Claim*" means any Secured Claim (including any Secured Tax Claim) against any of the Debtors, other than a Credit Agreement Claim or a Guarantee Facility Claim.

115. "*Person*" has the meaning set forth in section 101(41) of the Bankruptcy Code.

116. "*Petition Date*" means February 7, 2021, with respect to the AOD Entities, and February 10, 2021, with respect to the other Debtors.

117. "*Plan*" means this chapter 11 plan, as altered, amended, modified, or supplemented from time to time in accordance with the terms hereof, including the Plan Supplement and all exhibits, supplements, appendices, and schedules.

118. "*Plan Supplement*" means any compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan, which shall be Filed by the Debtors, to the extent reasonably practicable, no later than 7 days before the Voting Deadline or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, and additional documents Filed with the Bankruptcy Court prior to the Effective Date as amendments to the Plan Supplement, each of which shall be consistent in all respects with, and shall otherwise contain, the terms and conditions set forth on the exhibits attached hereto, where applicable; *provided that* all documents and forms of documents, agreements, schedules, and exhibits to the Plan, in each case are, in form and substance, reasonably acceptable to the CoCom and the Ad Hoc Group. The Debtors shall have the right to amend the documents contained in the Plan Supplement through the Effective Date subject to the rights of the Backstop Parties and the Consenting Lenders in the Backstop Commitment Letter and the Plan Support Agreement; *provided that* such amendments are consistent with the Plan, the Confirmation Order, and the exhibits attached thereto, and which shall be in each case, in form and substance, reasonably acceptable to the CoCom and the Ad Hoc Group

119. "*Plan Support Agreement*" means that certain Plan Support and Lock-Up Agreement dated as of July 23, 2021, by and among the Company Parties (as defined therein) and the Consenting Lenders and the other parties who signed the signature pages thereto, including all exhibits and attachments thereto, as may be further amended, restated, amended and restated, modified, or supplemented from time to time in accordance with the terms thereof.

120. "*Prepetition Credit Agreements*" means, collectively (in each case, as amended or modified):

(a) the $300 million senior secured credit facility agreement, originally dated July 16, 2013 and later amended and/or amended and restated, between, among others, RigCo as borrower and DNB Bank ASA as agent (the "*Prepetition $300MM Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$300MM Credit Agreement Claims*");

(b) the $360 million senior secured credit facility agreement, originally dated April 9, 2013 and later amended and/or amended and restated, between, among others, Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited and Asia Offshore Rig 3 Limited as borrowers and Global Loan Agency Services Limited ("GLAS") as agent (the "*Prepetition AOD Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*AOD Credit Agreement Claims*");

(c) the $400 million senior secured credit facility agreement, originally dated December 8, 2011 and later amended and/or amended and restated, between, among others, RigCo as borrower and Nordea Bank Abp, filial i Norge as agent (the "*Prepetition $400MM Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$400MM Credit Agreement Claims*");

(d) the $440 million secured credit facility agreement, originally dated December 4, 2012, and later amended and/or amended and restated, between, among others, RigCo as borrower and Citibank Europe plc, UK Branch as agent (the "*Prepetition $440MM Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$440MM Credit Agreement Claims*");

(e) the $450 million senior secured credit facility agreement, originally dated December 13, 2013 and later amended and/or amended and restated, between, among others, Seadrill Eminence Ltd. as borrower and GLAS as agent (the "*Prepetition $450MM Eminence Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$450MM Eminence Credit Agreement Claims*");

(f) the $450 million senior secured credit facility agreement, originally dated August 26, 2015 and later amended and/or amended and restated, between, among others, RigCo as borrower and Nordea Bank Abp, filial i Norge as agent (the "*Prepetition $450MM Nordea Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$450MM Nordea Credit Agreement Claims*");

(g) the $483,333,333 fourth amended and restated senior secured credit facility agreement, originally dated March 20, 2013, between, among others, Seadrill Tellus Ltd. as borrower and ING Bank N.V. as agent (the "*Prepetition ECA Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*ECA Credit Agreement Claims*");

(h) the $950 million senior secured credit facility agreement, originally dated January 26, 2015 and later amended and/or amended and restated, between, among others, RigCo as borrower and Nordea Bank Abp, filial i Norge as agent (the "*Prepetition $950MM Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$950MM Credit Agreement Claims*");

(i) the $1.35 billion senior secured credit facility agreement, originally dated August 26, 2014 and later amended and/or amended and restated, between, among others, RigCo as borrower and DNB Bank ASA as agent (the "*Prepetition $1.35B Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$1.35B Credit Agreement Claims*");

(j) the $1.5 billion senior secured credit facility agreement, originally dated July 30, 2014 and later amended and/or amended and restated, between, among others, Seadrill Neptune Hungary Kft, Seadrill Saturn Ltd., and Seadrill Jupiter Ltd. as borrowers and Nordea Bank Abp, filial i Norge as agent (the "*Prepetition $1.5B Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$1.5B Credit Agreement Claims*");

(k) the $1.75 billion senior secured credit facility agreement originally dated September 30, 2013 between, among others, various subsidiaries of Seadrill Sevan Holdings Limited as borrowers and

ING Bank N.V. as agent (the "*Prepetition $1.75B Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*$1.75B Credit Agreement Claims*"); and

(l) the $2.0 billion senior secured credit facility agreement, originally dated April 15, 2011 as later amended and/or amended and restated, between, among others, Seadrill North Atlantic Holdings Limited as borrower and DNB Bank ASA as agent (the "*Prepetition NADL Credit Agreement*" and, the Claims arising thereunder and under the applicable Prepetition Finance Documents, the "*NADL Credit Agreement Claims*").

121. "*Prepetition Credit Facilities*" means the senior secured credit facilities outstanding under the Prepetition Credit Agreements.

122. *"Prepetition Finance Documents*" means, collectively, all related agreements (including the Prepetition Credit Agreements), indentures, documents (including security, collateral or pledge agreements or documents), mortgages, intercreditor agreements, or instruments executed or delivered in connection with the Prepetition Credit Facilities and the Prepetition SFL Charters.

123. "*Prepetition Hercules Charters*" means, collectively:

(a) the head-charter agreement originally dated October 7, 2008, as amended pursuant to that novation and amendment agreement dated June 15, 2018, made between SFL Hercules Ltd. as owner, Seadrill Offshore AS as charterer, and Seadrill Limited, RigCo, and CashPoolCo as charter guarantors; and

(b) the sub-charter agreement originally dated August 16, 2019 (as amended, amended and restated, supplemented or otherwise modified from time to time) made between Seadrill Offshore AS as owner and Seadrill Norway Operations Ltd. as charterer.

124. "*Prepetition Linus Charters*" means, collectively:

(a) the head-charter agreement originally dated June 30, 2013, as amended pursuant to that novation and amendment agreement dated June 15, 2018, made between SFL Linus Ltd. as owner, North Atlantic Linus Charterer Ltd as charterer, and Seadrill Limited, RigCo, and CashPoolCo as charter guarantors; and

(b) the sub-charter agreement originally dated June 30, 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time), made between North Atlantic Linus Charterer Ltd. as owner, Seadrill Norway Operations Ltd. (under its former name North Atlantic Norway Ltd.) as charterer, and Seadrill Limited as charter guarantor.

125. "*Prepetition Secured Notes*" means the 12.00% senior secured notes issued by NSNCo due 2025.

126. "*Prepetition Secured Notes Claim*" means any Claim against a Debtor on account of the Prepetition Secured Notes, which will be released and waived in accordance with and by operation of the NSN Agreement and the implementation thereof.

127. "*Prepetition SFL Charters*" means, collectively, the Prepetition Hercules Charters, Prepetition Linus Charters, and Prepetition Taurus Charter.

128. "*Prepetition Taurus Charter*" means the head-charter agreement originally dated October 7, 2008, made between SFL Deepwater Ltd. as owner, Seadrill Deepwater Charterer Ltd. as charterer, and Seadrill Limited, RigCo, and CashPoolCo as charter guarantors.

129. "*Priority Tax Claim*" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

130. "*Pro Rata*" means, as context requires, (a) the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Interests in that Class, (b) the proportion that a Plan distribution to a particular Class of Credit Agreement Claims bears to all Allowed Credit Agreement Claims, and (c) with respect to the distribution of AOD Gross-Up Subscription Rights and AOD Gross-

Up Equity to various Classes of Credit Agreement Claims, the proportion that a Class of Allowed Credit Agreement Claims is otherwise entitled to receive of Subscription Rights and New Seadrill Common Shares bears to the aggregate amount of Subscription Rights and New Seadrill Common Shares issued to all holders of Credit Agreement Claims (other than AOD Credit Agreement Claims).

131. "*Professional*" means an Entity: (a) employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Effective Date pursuant to sections 327, 328, 329, 330, and 331 of the Bankruptcy Code; or (b) for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

132. "*Professional Fee Claim*" means any Administrative Claim for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Confirmation Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional's requested fees and expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

133. "*Professional Fee Amount*" means the aggregate amount of Professional Fee Claims and other unpaid fees and expenses the Professionals estimate they have incurred or will incur in rendering services to the Debtors prior to and as of the Confirmation Date, which estimates Professionals shall deliver to the Debtors as set forth in Article II.B of the Plan.

134. "*Professional Fee Escrow Account*" means an account funded by the Debtors with Cash on the Effective Date in an amount equal to the Professional Fee Amount.

135. "*Proof of Claim*" means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

136. "*Provisional Liquidator Appointment Order*" means the order entered by the Bermuda Court in the Bermuda Dissolution Proceedings appointing the Provisional Liquidators.

137. "*Provisional Liquidators"* means the Joint Provisional Liquidators appointed by the Bermuda Court under the Provisional Liquidator Appointment Order.

138. "*Reinstate*," "*Reinstated*," or "*Reinstatement*" means with respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired in accordance with section 1124 of the Bankruptcy Code.

139. "*Rejected Executory Contract and Unexpired Lease List*" means the list of Executory Contracts and Unexpired Leases that will be rejected by the Reorganized Debtors pursuant to the Plan, which list shall be included in the Plan Supplement.

140. "*Rejecting Silo Debtor*" means any Silo Debtor where the holders of Allowed Credit Agreement Claims against such Silo Debtor have voted to reject the Plan in accordance with section 1126 of the Bankruptcy Code by the Voting Deadline.

141. "*Related Party*" means, collectively, current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, predecessors, successors, assigns, subsidiaries, partners, limited partners, general partners, principals, members, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals (including any attorneys or professionals retained by any current or former director or manager of a Debtor in his or her capacity as director or manager as a Debtor).

142. "*Released Party*" means, collectively, and in each case in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; (c) the CoCom and each member of the CoCom; (d) the Ad Hoc Group and each member of the Ad Hoc Group; (e) each Agent; (f) each lender under the Prepetition Credit Agreements; (g) the indenture trustee for the Prepetition Secured Notes; (h) the Provisional Liquidators; (i) the Backstop Parties; (j) the Consenting Stakeholders; (k) each current and former wholly-owned Affiliate of each Entity in clause (a) through the following clause (l); and (l) each Related Party of each Entity in clauses (a) through this clause (l); *provided*, *however*, that each Entity that timely and properly opts out of the release in Article VIII.C of the Plan shall not be a Released Party; *provided, further* that each Seadrill ECA shall not be a Released Party in respect of any Causes of Action, whether known or unknown, based on or relating to, or in any manner arising from, in whole or in part, the

Seadrill ECA Guarantees or Prepetition Credit Agreements; *provided, further*, that none of SFL or Northern Ocean, nor any wholly-owned Affiliate thereof, shall be Released Parties.

143. "*Releasing Parties*" means, collectively, and in each case in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; (c) the CoCom and each member of the CoCom; (d) the Ad Hoc Group and each member of the Ad Hoc Group; (e) each Agent; (f) the indenture trustee for the Prepetition Secured Notes; (g) the Provisional Liquidators; (h) all holders of Claims; (i) all holders of Interests; (j) the Consenting Stakeholders; (k) Hemen; (l) each current and former Affiliate of each Entity in clause (a) through the following clause (m); and (m) each Related Party of each Entity in clauses (a) through this clause (m); *provided*, *however*, that each Entity that timely and properly opts out of the release in Article VIII.C of the Plan shall not be a Releasing Party; *provided, further, however*, that any holder of Interests who acquired such Interests after the Voting Record Date (as such term is defined in the Disclosure Statement Order) and did not receive an opt out election form shall not be a Releasing Party.

144. "*Reorganized Debtor*" means a Debtor, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on and after the Effective Date, including Reorganized Seadrill.

145. "*Reorganized Seadrill*" means the Entity that will be the issuer of the New Seadrill Common Shares, which Entity shall be (i) a Debtor (including, for the avoidance of doubt, potentially Seadrill Limited), or any successor or assign thereto, by merger, amalgamation, consolidation, reorganization, or otherwise, or (ii) a newly-formed corporation, limited liability company, partnership, or other entity that may be formed to, among other things, serve as the ultimate parent company of the Reorganized Debtors, in each case, in accordance with the Description of Transaction Steps.[2]

146. "*Required Backstop Parties*" has the meaning set forth in the Backstop Commitment Letter.

147. "*Restructuring Transactions*" means the transactions described in Article IV.B.

148. "*Rig*" means each of those certain drilling rigs that serve as collateral securing the Prepetition Credit Facilities.

149. "*RigCo*" means Seadrill Rig Holding Company Limited.

150. "*Rights Offering*" means the rights offering pursuant to which holders of Credit Agreement Claims will have the right to lend money under the New First Lien Facility on the terms and conditions set forth in the Plan, the Backstop Commitment Letter, the Rights Offering Procedures, and the Disclosure Statement Order.

151. "*Rights Offering Documents*" means, collectively, the definitive documents with respect to the Rights Offering, including the Rights Offering Procedures and Backstop Commitment Letter.

152. "*Rights Offering Participants*" means the holders of Credit Agreement Claims that elect to participate in the Rights Offering (including, for the avoidance of doubt, the Backstop Parties).

153. "*Rights Offering Participation Equity*" has the meaning set forth in Article IV.C.1 herein.

154. "*Rights Offering Percentage*" has the meaning set forth in Article IV.C.1 herein.

155. "*Rights Offering Procedures*" means those certain rights offering procedures with respect to the Rights Offering.

156. "*Seadrill ECA*" means each of (a) the Export-Import Bank of Korea and (b) Korea Trade Insurance Corporation, and any affiliate of (a) and (b), in each case in its capacity solely as a provider of a Seadrill ECA Guarantee (including, for the avoidance of doubt, in circumstances where the Credit Agreement Claims of one or more ECA Covered Lenders have been transferred to such provider in accordance with the terms of such Seadrill ECA Guarantee).

[2] Reorganized Seadrill will be a Bermuda exempted company limited by shares and the New Seadrill Common Shares to be issued under the Plan and the Backstop Commitment Letter will be common shares unless otherwise consented to in writing by the CoCom and the Ad Hoc Group.

157. "*Seadrill ECA Guarantee*" means any guarantee granted or insurance policy issued by a Seadrill ECA under which such Seadrill ECA has agreed to provide cover to an ECA Covered Lender under and in connection with each relevant obligor's obligations under one or more Prepetition Credit Agreements, in each case, in accordance with the general terms and conditions of that guarantee or insurance policy.

158. "*Schedule of Retained Causes of Action*" means the schedule of Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time, which shall be included in the Plan Supplement.

159. "*Secured Claim*" means a Claim: (a) secured by a Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code; or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

160. "*Secured Tax Claim*" means any Secured Claim that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

161. "*Securities Act*" means the U.S. Securities Act of 1933.

162. "*Security*" has the meaning set forth in section 2(a)(1) of the Securities Act.

163. "*Silo Debtor*" means any Debtor (other than Seadrill Limited, RigCo, CashPoolCo, and Seadrill Investment Holdings Company Limited) that has obligations to holders of Credit Agreement Claims under any Prepetition Finance Document.

164. "*SFL*" means SFL Corporation Ltd., a company incorporated under the laws of Bermuda.

165. "*Solicitation Materials*" means any materials used in connection with solicitation of votes on the Plan, including the Disclosure Statement, and any procedures established by the Bankruptcy Court with respect to solicitation of votes on the Plan.

166. "*Specified Trade Claim*" means any undisputed General Unsecured Claim for payment directly relating to or arising from the provision of goods or services to a Debtor in the ordinary course of business, the holder of which has agreed to continue providing the applicable goods or services to the Debtor after the Effective Date on ordinary trade terms, other than: (a) Claims arising on account of any litigation, adverse matter, dispute, collection proceeding, or other contested matter pending or commenced against any Debtor, in court or otherwise; or (b) a Claim arising under the Prepetition SFL Charters; *provided*, *however*, that the amount of the Specified Trade Claims shall not exceed $3,000,000 unless the Debtors determine otherwise with the consent of the CoCom and the Ad Hoc Group (not to be unreasonably withheld, conditioned, or delayed).

167. "*Subscription Rights*" means the rights provided to holders of Credit Agreement Claims to participate in the Rights Offering pursuant to the Rights Offering Procedures.

168. "*Super-Priority Debt Instrument*" means a new credit facility secured by the existing liens on the collateral of the applicable Prepetition Credit Facility if the Debtors elect, with the written consent of the CoCom and Ad Hoc Group, to treat the holders of Allowed Credit Agreement Claims against such Rejecting Silo Debtor in accordance with Section 1129(b)(2)(A) of the Bankruptcy Code.

169. "*Unclaimed Distribution*" means any distribution under the Plan on account of an Allowed Claim to a holder that has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

170. "*Unexpired Lease*" means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

171. "*Unimpaired*" means a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

172. "*U.S. Trustee*" means the Office of the United States Trustee for the Southern District of Texas.

173. "*Voting Deadline*" means October 7, 2021 at 4:00 p.m. prevailing Central Time.

B. Rules of Interpretation

For purposes of the Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (d) unless otherwise specified, all references herein to "Articles" and "Sections" are references to Articles and Sections, respectively, hereof or hereto; (e) the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (i) references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (j) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; and (k) any immaterial effectuating provisions may be interpreted by the Debtors or the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; *provided*, *however*, that no effectuating provision shall be immaterial or deemed immaterial if it has any substantive legal or economic effect on any party.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided*, *however*, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, shall be governed by the laws of the jurisdiction of incorporation or formation of the relevant Debtor or Reorganized Debtor, as applicable.

E. Reference to Monetary Figures

All references in the Plan to monetary figures refer to currency of the United States of America, unless otherwise expressly provided.

F. Reference to the Debtors or the Reorganized Debtors

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Reorganized Debtors mean the Debtors and the Reorganized Debtors, including Reorganized Seadrill, to the extent the context requires.

G. Controlling Document

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and the Plan Supplement, the Plan shall control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control.

ARTICLE II
ADMINISTRATIVE AND PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in Article III of the Plan.

A. Administrative Claims

Unless otherwise agreed to by the holder of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, each holder of an Allowed Administrative Claim (other than holders of Professional Fee Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim in accordance with the following: (a) if an Administrative Claim is Allowed on or prior to the Effective Date, on the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (b) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (c) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the holders of such Allowed Administrative Claim; (d) at such time and upon such terms as may be agreed upon by such holder and the Debtors or the Reorganized Debtors, as applicable; or (e) at such time and upon such terms as set forth in an order of the Bankruptcy Court.

Except as otherwise provided in this Article II.A of the Plan, and except with respect to Administrative Claims that are Professional Fee Claims, requests for payment of Administrative Claims must be Filed with the Bankruptcy Court and served on the Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be Filed with the Bankruptcy Court and served on the Debtors and the requesting party no later than 60 days after the Effective Date. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with the Bankruptcy Court with respect to an Administrative Claim previously Allowed.

B. Professional Fee Claims

1. Professional Fee Escrow Account

As soon as reasonably practicable after the Confirmation Date, and no later than one Business Day prior to the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Such funds shall not be considered property of the Estates, the Debtors, or the Reorganized Debtors.

The amount of Professional Fee Claims owing to the Professionals shall be paid in cash to such Professionals from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that such obligations with respect to Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

2. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be Filed no later than 45 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Court, Bankruptcy Rules, and prior Bankruptcy Court orders. The amount of the Allowed Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by entry of any order of the Bankruptcy Court.

3. Professional Fee Escrow Amount

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors no later than five Business Days prior to the anticipated Effective Date; *provided* that such estimate shall not be considered an admission or limitation with respect to the fees and expenses of such Professional and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate a reasonable amount of unbilled fees and expenses of such Professional, taking into account any prior payments; *provided* that such estimate shall not be binding or considered an admission with respect to the fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account; *provided* that the Reorganized Debtors shall use Cash on hand to increase the amount of the Professional Fee Escrow Account to the extent fee applications are filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

4. Post-Confirmation Date Fees and Expenses

From and after the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors or the Reorganized Debtors, as applicable. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or the Reorganized Debtors, as applicable, may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

C. Priority Tax Claims

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, holders of Allowed Priority Tax Claims will receive interest on such Allowed Priority Tax Claims after the Effective Date in accordance with sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

ARTICLE III
CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth below in accordance with section 1122 of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

Subject to Article III.D of the Plan, the following chart represents the classification of certain Claims against and Interests in each Debtor pursuant to the Plan.

Class	Claim or Interest	Status	Voting Rights

1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
3	Guarantee Facility Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
4-a	AOD Credit Agreement Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
4-b	$450MM Eminence Credit Agreement Claims	Impaired	Entitled to Vote
4-c	NADL Credit Agreement Claims	Impaired	Entitled to Vote
4-d	$1.35B Credit Agreement Claims	Impaired	Entitled to Vote
4-e	$950MM Credit Agreement Claims	Impaired	Entitled to Vote
4-f	ECA Credit Agreement Claims	Impaired	Entitled to Vote
4-g	$1.5B Credit Agreement Claims	Impaired	Entitled to Vote
4-h	$1.75B Credit Agreement Claims	Impaired	Entitled to Vote
4-i	$450MM Nordea Credit Agreement Claims	Impaired	Entitled to Vote
4-j	$300MM Credit Agreement Claims	Impaired	Entitled to Vote
4-k	$440MM Credit Agreement Claims	Impaired	Entitled to Vote
4-l	$400MM Credit Agreement Claims	Impaired	Entitled to Vote
5	Specified Trade Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
6	General Unsecured Claims	Impaired	Entitled to Vote
7	Intercompany Claims	Impaired / Unimpaired	Not Entitled to Vote (Presumed to Accept or Deemed to Reject)
8	Intercompany Interests	Impaired / Unimpaired	Not Entitled to Vote (Presumed to Accept or Deemed to Reject)
9	Interests in Seadrill Limited	Impaired	Entitled to Vote
10	510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Classes of Claims and Interests

Each holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Reorganized Debtors and the holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

1. Class 1 — Other Secured Claims

(a) *Classification*: Class 1 consists of all Other Secured Claims against the Debtors.

(b) *Treatment*: Each holder of an Allowed Other Secured Claim shall receive, as determined by the Debtors or the Reorganized Debtors, as applicable:

(i) payment in full in Cash of its Allowed Other Secured Claim;

(ii) the collateral securing its Allowed Other Secured Claim;

(iii) Reinstatement of its Allowed Other Secured Claim; or

(iv) such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(c) *Voting*: Class 1 is Unimpaired under the Plan. Holders of Allowed Other Secured Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Therefore, such holders are not entitled to vote to accept or reject the Plan.

2. Class 2 — Other Priority Claims

(a) *Classification*: Class 2 consists of all Other Priority Claims against the Debtors.

(b) *Treatment*: Each holder of an Allowed Other Priority Claim shall receive, as determined by the Debtors or Reorganized Debtors, as applicable:

(i) payment in Cash in an amount equal to such Allowed Other Priority Claim;

(ii) Reinstatement of its Allowed Other Priority Claim; or

(iii) such other treatment rendering its Allowed Other Priority Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(c) *Voting*: Class 2 is Unimpaired under the Plan. Holders of Allowed Other Priority Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Therefore, such holders are not entitled to vote to accept or reject the Plan.

3. Class 3 — Guarantee Facility Claims

(a) *Classification*: Class 3 consists of all Guarantee Facility Claims against the Debtors.

(b) *Treatment*: On the Effective Date, Allowed Guarantee Facility Claims shall be Reinstated.

(c) *Voting*: Class 3 is Unimpaired and the holders of Allowed Guarantee Facility Claims in Class 3 are conclusively presumed to have accepted the Plan pursuant to section 1126(f)

of the Bankruptcy Code. Therefore, each holder of an Allowed Guarantee Facility Claim in Class 3 will not be entitled to vote to accept or reject the Plan.

4. Class 4-a — AOD Credit Agreement Claims

(a) *Classification*: Class 4-a consists of all AOD Credit Agreement Claims.

(b) *Allowance*: Class 4-a AOD Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-a Claim may elect to receive, as applicable, either (i) payment in Cash in an amount equal to the Allowed Claim held by such holder (the "AOD Cash-Out") or (ii) its Pro Rata share of:

A. the Subscription Rights for $29.4 million of the New First Lien Facility;

B. $73.4 million in principal amount of the New Second Lien Facility;

C. 4.1% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); and

D. Cash equal to the Net Scrap Proceeds attributable to the Prepetition AOD Credit Agreement, if any (A-D, the "AOD Non-Cash Recovery").

(d) *Voting*: Class 4-a is Unimpaired under the Plan. Holders of Allowed Class 4-a Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Therefore, such holders are not entitled to vote to accept or reject the Plan.

5. Class 4-b —$450MM Eminence Credit Agreement Claims

(a) *Classification*: Class 4-b consists of all $450MM Eminence Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-b $450MM Eminence Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-b Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $3.3 million of the New First Lien Facility;

(ii) $8.3 million in principal amount of the New Second Lien Facility;

(iii) Cash equal to the Net Scrap Proceeds attributable to the Prepetition $450MM Eminence Credit Agreement;

(iv) 1.1% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); and

(v) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan.

(d) *Voting*: Class 4-b is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-b are entitled to vote to accept or reject the Plan.

6. Class 4-c —NADL Credit Agreement Claims

(a) *Classification*: Class 4-c consists of all NADL Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-c NADL Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-c Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $133.2 million of the New First Lien Facility;

(ii) $333.1 million in principal amount of the New Second Lien Facility;

(iii) Cash equal to the Net Scrap Proceeds attributable to the Prepetition NADL Credit Agreement;

(iv) 11.9% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); and

(v) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan.

(d) *Voting*: Class 4-c is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-c are entitled to vote to accept or reject the Plan.

7. Class 4-d — $1.35B Credit Agreement Claims

(a) *Classification*: Class 4-d consists of all $1.35B Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-d $1.35B Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-d Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $4.2 million of the New First Lien Facility;

(ii) $10.5 million in principal amount of the New Second Lien Facility;

(iii) Cash equal to the Net Scrap Proceeds attributable to the Prepetition $1.35B Credit Agreement;

(iv) 12.8% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); and

(v) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan.

(d) *Voting*: Class 4-d is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-d are entitled to vote to accept or reject the Plan.

8. Class 4-e — $950MM Credit Agreement Claims

(a) *Classification*: Class 4-e consists of all $950MM Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-e $950MM Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-e Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $1.2 million of the New First Lien Facility;

(ii) $3.0 million in principal amount of the New Second Lien Facility;

(iii) Cash equal to the Net Scrap Proceeds attributable to the $950MM Credit Agreement;

(iv) 10.2% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); and

(v) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan.

(d) *Voting*: Class 4-e is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-e are entitled to vote to accept or reject the Plan.

9. Class 4-f —ECA Credit Agreement Claims

(a) *Classification*: Class 4-f consists of all ECA Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-f ECA Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-f Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $11.3 million of the New First Lien Facility;

(ii) $28.2 million in principal amount of the New Second Lien Facility;

(iii) 8.5% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any);

(iv) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan; and

(v) Cash equal to the Net Scrap Proceeds attributable to the Prepetition ECA Credit Agreement, if any.

(d) *Voting*: Class 4-f is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-f are entitled to vote to accept or reject the Plan.

10. Class 4-g — $1.5B Credit Agreement Claims

(a) *Classification*: Class 4-g consists of all $1.5B Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-g $1.5B Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-g Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $50.7 million of the New First Lien Facility;

(ii) $126.8 million in principal amount of the New Second Lien Facility;

(iii) 19.9% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any);

(iv) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan; and

(v) Cash equal to the Net Scrap Proceeds attributable to the Prepetition $1.5B Credit Agreement.

(d) *Voting*: Class 4-g is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-g are entitled to vote to accept or reject the Plan.

11. Class 4-h — $1.75B Credit Agreement Claims

(a) *Classification*: Class 4-h consists of all $1.75B Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-h $1.75B Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-h Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $13.7 million of the New First Lien Facility;

(ii) $34.4 million in principal amount of the New Second Lien Facility;

(iii) Cash equal to the Net Scrap Proceeds attributable to the Prepetition $1.75B Credit Agreement;

(iv) 3.7% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); and

(v) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan.

(d) *Voting*: Class 4-h is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-h are entitled to vote to accept or reject the Plan.

12. Class 4-i — $450MM Nordea Credit Agreement Claims

(a) *Classification*: Class 4-i consists of all $450MM Nordea Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-i $450MM Nordea Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-i Claim shall receive its Pro Rata share of:

(i) Cash equal to the Net Scrap Proceeds attributable to the Prepetition $450MM Nordea Credit Agreement;

(ii) 0.4% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); and

(iii) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan.

(d) *Voting*: Class 4-i is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-i are entitled to vote to accept or reject the Plan.

13. Class 4-j — $300MM Credit Agreement Claims

(a) *Classification*: Class 4-j consists of all $300MM Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-j $300MM Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-j Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $35.3 million of the New First Lien Facility;

(ii) $88.3 million in principal amount of the New Second Lien Facility;

(iii) 3.6% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any);

(iv) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan; and

(v) Cash equal to the Net Scrap Proceeds attributable to the Prepetition $300MM Credit Agreement, if any.

(d) *Voting*: Class 4-j is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-j are entitled to vote to accept or reject the Plan.

14. Class 4-k — $440MM Credit Agreement Claims

(a) *Classification*: Class 4-k consists of all $440MM Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-k $440MM Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-k Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $13.1 million of the New First Lien Facility;

(ii) $32.8 million in principal amount of the New Second Lien Facility;

(iii) 2.4% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any);

(iv) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan; and

(v) Cash equal to the Net Scrap Proceeds attributable to the Prepetition $440MM Credit Agreement, if any.

(d) *Voting*: Class 4-k is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-k are entitled to vote to accept or reject the Plan.

15. Class 4-l — $400MM Credit Agreement Claims

(a) *Classification*: Class 4-l consists of all $400MM Credit Agreement Claims to the extent they are Secured Claims.

(b) *Allowance*: Class 4-l $400MM Credit Agreement Claims shall be Allowed as set forth in Article III.D.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 4-l Claim shall receive its Pro Rata share of:

(i) the Subscription Rights for $4.5 million of the New First Lien Facility;

(ii) $11.2 million in principal amount of the New Second Lien Facility;

(iii) Cash equal to the Net Scrap Proceeds attributable to the $400MM Credit Agreement;

(iv) 4.3% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); and

(v) any AOD Gross-Up Recovery distributed to this Class in accordance with Article III.C of the Plan.

(d) *Voting*: Class 4-l is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 4-l are entitled to vote to accept or reject the Plan.

16. Class 5 — Specified Trade Claims

(a) *Classification*: Class 5 consists of all Specified Trade Claims.

(b) *Treatment*: Each holder of an Allowed Specified Trade Claim shall receive, as determined by the Debtors or Reorganized Debtors, as applicable:

(i) payment in Cash in an amount equal to such Allowed Specified Trade Claim;

(ii) Reinstatement of its Allowed Specified Trade Claim; or

(iii) such other treatment rendering its Allowed Specified Trade Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(c) *Voting*: Class 5 is Unimpaired under the Plan. Holders of Allowed Specified Trade Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Therefore, such holders are not entitled to vote to accept or reject the Plan.

17. Class 6 — General Unsecured Claims

(a) *Classification*: Class 6 consists of all General Unsecured Claims against the Debtors.

(b) *Treatment*: On the Effective Date, each holder of an Allowed General Unsecured Claim against the Debtors shall receive its Pro Rata share of $250,000 in Cash; *provided*, *however*, that holders of Credit Agreement Claims shall be deemed to have waived their recovery (but not their right to vote) on account of their General Unsecured Claims.

(c) *Voting*: Class 6 is Impaired under the Plan. Therefore, holders of Allowed Claims in Class 6 are entitled to vote to accept or reject the Plan.

18. Class 7 — Intercompany Claims

(a) *Classification*: Class 7 consists of all Intercompany Claims against the Debtors.

(b) *Treatment*: On the Effective Date, Allowed Intercompany Claims shall, at the election of the applicable Debtor with the consent of the CoCom and the Ad Hoc Group (not to be unreasonably withheld), be (a) Reinstated, (b) converted to equity, or (c) otherwise set off, settled, distributed, contributed, cancelled, or released, in each case in accordance with the Description of Transaction Steps.

(c) *Voting*: Class 7 is either Unimpaired, in which case the holders of Allowed Intercompany Claims in Class 7 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired, and not receiving any distribution under the Plan, in which case the holders of such Allowed Intercompany Claims in Class 7 are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of an Allowed Intercompany Claim in Class 7 will not be entitled to vote to accept or reject the Plan.

19. Class 8 — Intercompany Interests

(a) *Classification*: Class 8 consists of all Intercompany Interests in the Debtors.

(b) *Treatment*: On the Effective Date, Allowed Intercompany Interests shall, at the election of the applicable Debtor, with the consent of the CoCom and the Ad Hoc Group (not to be unreasonably withheld), be (a) Reinstated or (b) set off, settled, addressed, distributed, contributed, merged, cancelled, or released, in each case, in accordance with the Description of Transaction Steps.

(c) *Voting*: Class 8 is either Unimpaired, in which case the holders of Allowed Intercompany Interests in Class 8 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired, and not receiving any distribution under the Plan, in which case the holders of such Allowed Intercompany Interests in Class 8 are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of an Allowed Intercompany Interest in Class 8 will not be entitled to vote to accept or reject the Plan.

20. Class 9 — Interests in Seadrill Limited

(a) *Classification*: Class 9 consists of Interests in Seadrill Limited.

(b) *Treatment*: On the Effective Date:

(i) **if Classes 4 and 6 vote to accept the Plan**, each holder of Interests in Seadrill Limited shall receive its Pro Rata share of 0.25% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any); for the avoidance of doubt, any distribution of New Seadrill Common Shares pursuant to this section (i) shall not be dilutive of the Rights Offering Participation Equity or the Backstop Participation Equity; or

(ii) **if any of Classes 4 or 6 votes to reject the Plan**, all Interests in Seadrill Limited shall receive no recovery and be Extinguished.

(c) *Voting*: Class 9 is Impaired under the Plan. Therefore, holders of Allowed Interests in Class 9 are entitled to vote to accept or reject the Plan.

21. Class 10 —510(b) Claims

(a) *Classification*: Class 10 consists of all 510(b) Claims.

(b) *Treatment*: On the Effective Date, each Allowed 510(b) Claim will be discharged and released and each holder of such Allowed 510(b) Claim shall not receive or retain any distribution, property, or other value on account of its Allowed 510(b) Claim.

(c) *Voting*: Class 10 is Impaired under the Plan and is deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of an Allowed 510(b) Claim in Class 10 will not be entitled to vote to accept or reject the Plan.

C. AOD Gross-Up Recovery

As set forth in Article III.B.4 herein, holders of AOD Credit Agreement Claims may elect, by the Voting Deadline, to receive either the AOD Cash-Out or the AOD Non-Cash Recovery. The distributions for each Class as set forth in Article III.B herein assume that all holders of AOD Credit Agreement Claims have elected the AOD Non-Cash Recovery. To the extent that any holder(s) of AOD Credit Agreement Claims elect to receive the AOD Cash-Out, holders of Credit Agreement Claims shall be entitled to receive the AOD Gross-Up Recovery, which includes the portion of the Subscription Rights and New Seadrill Common Shares that would have been distributed to holders of AOD Credit Agreement Claims pursuant to the AOD Non-Cash Recovery. Any such AOD Gross-Up Recovery shall be distributed Pro Rata to each Class of Credit Agreement Claims (other than AOD Credit Agreement Claims) and then, further allocated to each holder of Credit Agreement Claims (other than AOD Credit Agreement Claims) within such Class on a Pro Rata basis in accordance with Article III.B.5-15 of the Plan. None of the AOD Unsubscribed Second Lien Debt shall be distributed.

D. Allowance of Credit Agreement Claims

Notwithstanding anything to the contrary in this Plan or any Definitive Document, except with respect to the AOD Credit Agreement Claims, each of the Credit Agreement Claims shall be Allowed in the amounts provided in the below table. The secured portion of such Credit Agreement Claims shall receive the treatment provided in Article III.B for the respective class of Credit Agreement Claims. The deficiency amount, if any, of such Credit Agreement Claims shall be classified in, and receive the treatment provided for, Class 6 of this Plan.

Credit Agreement Claims	Allowed Secured Amount of Claims	Allowed Deficiency Claims Amount	Total Allowed Amount
AOD Credit Agreement Claims	$114,783,659.95	$0	$114,783,659.95[3]
$450MM Eminence Credit Agreement Claims	$29,372,684	$240,614,814	$269,987,498
NADL Credit Agreement Claims	$521,355,560	$391,073,733	$912,429,293
$1.35B Credit Agreement Claims	$208,074,564	$752,933,872	$961,008,436
$950MM Credit Agreement Claims	$153,405,078	$423,329,446	$576,734,524
ECA Credit Agreement Claims	$154,456,921	$174,417,389	$328,874,310
$1.5B Credit Agreement Claims	$421,090,461	$725,406,575	$1,146,497,036
$1.75B Credit Agreement Claims	$96,366,378	$797,500,554	$893,866,932
$450MM Nordea Credit Agreement Claims	$18,081,630	$86,665,095	$104,746,725
$300MM Credit Agreement Claims	$141,208,349	$5,952,850	$147,161,199
$440MM Credit Agreement Claims	$65,571,815	$0	$65,571,815
$400MM Credit Agreement Claims	$75,511,120	$62,333,381	$137,844,501

[3] Notwithstanding anything to the contrary in the Plan or any Definitive Document, AOD Credit Agreement Claims shall be Allowed in the amount of $114,783,659.95 plus (A) the AOD Postpetition Interest and (B) any accrued and unpaid prepetition and postpetition fees, expenses, charges, and other amounts (including, without limitation, professional fees and expenses) payable to either GLAS or the lenders party to the Prepetition AOD Credit Agreement by the Debtors in accordance with the terms of the Prepetition AOD Credit Agreement, the Prepetition Finance Documents, and/or the Cash Collateral Order.

E. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights regarding any Unimpaired Claim, including all rights regarding legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

F. Elimination of Vacant Classes

Any Class of Claims or Interests that does not have a holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

G. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class contains Claims or Interests eligible to vote and no holder of Claims or Interests eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the holders of such Claims or Interests in such Class; *provided*, *however*, that such Class shall not qualify as an impaired accepting class under section 1129(a)(8) of the Bankruptcy Code.

H. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise.[4] Pursuant to section 510 of the Bankruptcy Code, the Debtors or Reorganized Debtors, as applicable, reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

I. Withdrawal of Plan; Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

The Debtors, with the written consent of the CoCom and the Ad Hoc Group (each in their sole discretion), reserve the right, prior to the Confirmation Hearing, to (a) withdraw the Plan with respect to any particular Rejecting Silo Debtor and proceed to seek confirmation of the Plan as to the remaining Debtors, including the Accepting Silo Debtors, or (b) pursue confirmation of the Plan with respect to any Rejecting Silo Debtor by providing (i) an alternate treatment with respect to the Class of Allowed Credit Agreement Claims applicable to such Rejecting Silo Debtor such that instead of receiving Subscription Rights, a share of the New Second Lien Facility, New Seadrill Common Shares, the Net Scrap Proceeds (if any), and the AOD Gross-Up Recovery, holders of Allowed Credit Agreement Claims in such Class shall retain their liens on their collateral and be issued a Super-Priority Debt Instrument in a principal amount equal to the Secured portion of such holder's Allowed Credit Agreement Claim, (ii) the holders of the New First Lien Facility a second-lien security interest in the collateral securing such Super-Priority Debt Instrument, and (iii) the holders of the New Second Lien Facility shall be granted a third-lien security interest in the collateral securing such Super-Priority Debt Instrument.

If the Debtors, with the written consent of the CoCom and the Ad Hoc Group (each in their sole discretion), elect to withdraw the Plan with respect to any particular Rejecting Silo Debtor and proceed to seek confirmation of this Plan as to the remaining Debtors, on the Effective Date (i) any Subscription Rights and New Seadrill Common Shares allocated to holders of Allowed Credit Agreement Claims against Rejecting Silo Debtors that have been withdrawn from the Plan shall be re-allocated to holders of Allowed Credit Agreement Claims against Accepting Silo Debtors on a Pro Rata basis in accordance with the remaining allocations of Subscription Rights and New Seadrill Common Shares to Accepting Silo Debtors under Article III.B.4-15 of the Plan, (ii) the principal amount of the New Second Lien Facility shall be reduced by the amount that was allocated to holders of Allowed Credit Agreement Claims applicable to the Rejecting Silo Debtors that voted to reject the Plan, (iii) the Presumptive Cash Pool Cash Collateral (as defined in the Cash Collateral Order) of any Rejecting Silo Debtor (net of any deduction or re-allocation for overhead and administrative expenses) that voted to reject the Plan shall vest in the Rejecting Silo Debtor and not the Reorganized Debtors, and (iv) the Reorganized Debtors reserve all rights to acquire the assets of the Rejecting Silo Debtors on or after the Effective Date pursuant to a sale under section 363 of the Bankruptcy Code or otherwise.

[4] For the avoidance of doubt, the distribution provided to holders of Allowed Class 6 General Unsecured Claims pursuant to the Article III.B of the Plan takes into account the subordination obligations of the holders thereto.

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article III.B of the Plan. The Debtors may, upon consultation with the CoCom and the Ad Hoc Group, seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

J. Payments Pursuant to Cash Collateral Order

Pursuant to the critical and integrated global compromise on the Debtors' consensual use of cash collateral, a result of good-faith, arm's-length negotiations, nothing in this Plan shall affect adequate protection payments made pursuant to the Cash Collateral Order, and any outstanding payments owed under the Cash Collateral Order as of the Effective Date shall be paid on the Effective Date. Furthermore, any payments made as adequate protection shall be treated as an interest or expense payment, as applicable, for purposes of calculating distributions under the Plan on the Effective Date; and such adequate protection payments shall not be subject to recharacterization or disgorgement.

ARTICLE IV
PROVISIONS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims and Interests

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan, including resolution of intercompany liabilities, allocation of value among the Debtors, and treatment of holders of General Unsecured Claims against each of the Debtors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and is within the range of reasonableness. Subject to Article VI of the Plan, all distributions made to holders of Allowed Claims and Interests in any Class are intended to be and shall be final.

B. Restructuring Transactions

On or before the Effective Date, the Debtors or the Reorganized Debtors, as applicable, shall take all actions set forth in the Description of Transaction Steps, and shall enter into and shall take any actions as may be necessary or appropriate to effect the Restructuring Transactions. The actions to implement the Restructuring Transactions may include, as applicable: (a) the execution and delivery of appropriate agreements, including any Definitive Documents, or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, formation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, dissolution, or other organizational documents pursuant to applicable law, (d) all transactions necessary to provide for the purchase of substantially all of the assets or Interests of any of the Debtors by one or more Entities to be wholly owned by Reorganized Seadrill, which purchase may be structured as a taxable transaction for United States federal income tax purposes, and (e) all other actions that the applicable Reorganized Debtors determine to be necessary or advisable, including making filings or recordings that may be required by applicable law in connection with the Plan.

The Confirmation Order shall and shall be deemed to, pursuant to sections 1123 and 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including the Restructuring Transactions.

C. Sources of Consideration for Plan Distributions

1. Rights Offering

On the Effective Date, the Reorganized Debtors, including Reorganized Seadrill, shall consummate the Rights Offering in accordance with the Rights Offering Procedures, the Backstop Commitment Letter, the Plan, and the New Credit Facility Term Sheet. Subscription Rights to participate in the Rights Offering shall be allocated among the holders of Credit Agreement Claims as of a specified record date in accordance with the Rights Offering Procedures, the Backstop Commitment Letter, and the Plan. The issuance of such Subscription Rights shall be exempt from SEC registration under section 1145 of the Bankruptcy Code and shall not constitute an invitation or offer to sell, or the solicitation of an invitation or offer to buy, any securities in contravention of any applicable law in any jurisdiction. The New Seadrill Common Shares issued pursuant to the Backstop Commitment Letter on account of the Backstop Participation Equity (other than the Equity Commitment Premium) will be issued without registration in reliance upon the exemption set forth in Regulation S or Section 4(a)(2) of the Securities Act. Any securities issued without registration in reliance on Section 4(a)(2), including in compliance with Rule 506 of Regulation D and/or Regulation S, will be subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration, or an applicable exemption from registration under the Securities Act and other applicable exemptions such as, under certain conditions, the resale provisions of Rule 144 of the Securities Act or Regulation S of the Securities Act.

Holders of the Subscription Rights, which include the Backstop Parties, shall receive the right to lend up to $300 million under the New First Lien Facility in accordance with and pursuant to the Plan, the Rights Offering Procedures, the Backstop Commitment Letter, and the New Credit Facility Term Sheet. Rights Offering Participants shall also receive, in consideration for their participation in the Rights Offering, 12.5% (the "Rights Offering Percentage") of the issued and outstanding New Seadrill Common Shares as of the Effective Date (subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any)) allocated among the Rights Offering Participants based on the total Subscription Rights subscribed by such Person relative to the total Subscription Rights subscribed by all such Persons (the "Rights Offering Participation Equity"), *provided*, that if the Rights Offering is not fully subscribed, the Rights Offering Percentage shall equal 12.5% multiplied by a fraction, the numerator of which is the principal amount of the New First Lien Facility committed in the Rights Offering and the denominator of which is $300 million.

As consideration for the Backstop Commitment of each Backstop Party and the other agreements of the Backstop Parties as set forth in the Backstop Commitment Letter, (a) the Backstop Parties will be issued the number of New Seadrill Common Shares equal to the sum of: (1) (x) the percentage of 12.5% minus the Rights Offering Percentage multiplied by (y) the total number of New Seadrill Common Shares issued and outstanding on the Effective Date (subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any)), plus (2) 4.25% multiplied by (y) the total number of New Seadrill Common Shares issued and outstanding on the Effective Date (subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any)) (the "Equity Commitment Premium", and together with the New Seadrill Common Shares described in the foregoing clause (1), the "Backstop Participation Equity"); and (b) the Debtors shall pay or cause to be paid in cash to the Backstop Parties a premium (the "Commitment Premium") equal to 7.5% of the $300 million in total commitments under the New First Lien Facility, in each case, allocated among the Backstop Parties as set forth in the Backstop Commitment Letter.

If a Backstop Party breaches (and does not cure) its obligation to participate in the New First Lien Credit Facility and fund the amounts required pursuant to the terms of the Backstop Commitment Letter, the New Seadrill Common Shares that would have been allocated to such defaulting Backstop Party shall instead be allocated *pro rata* to the Backstop Parties that elect to fund any portion of the Rights Offering Commitment and Backstop Commitment not funded by such defaulting Backstop Party, as further described in the Backstop Commitment Letter.

The Commitment Premium and Equity Commitment Premium shall be fully earned by the Backstop Parties and, with respect to the Commitment Premium, paid in cash by the Debtors promptly (and in any case within one (1) Business Day) following the entry of an Order of the Court approving the Debtors' entry into the Backstop Commitment Letter and the performance of all of the Debtors' obligations thereunder in accordance with the terms thereof.

2. Issuance and Distribution of New Seadrill Common Shares

The issuance of the New Seadrill Common Shares shall be authorized without the need for any further corporate action and without any further action by the holders of any Claims or Interests.

On the Effective Date, applicable holders of Claims and Interests shall receive the New Seadrill Common Shares in exchange for their respective Claims and Interests as set forth under Article III.B hereof.

On the Effective Date, Reorganized Seadrill will issue 16.75% of the New Seadrill Common Shares to the Backstop Parties and the lenders under the New First Lien Facility, in accordance with the terms hereof, the Backstop Commitment Letter, and the Rights Offering Documents, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any).

On the Effective Date, Reorganized Seadrill will issue 83% of the New Seadrill Common Shares to holders of Credit Agreement Claims in accordance with the terms of Article III B.4-B.15 hereof, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any).

On the Effective Date, subject to the terms of Article III.B.20 hereof, each holder of common Interests in Seadrill Limited shall receive its Pro Rata share of 0.25% of the New Seadrill Common Shares, subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any). For the avoidance of doubt, a distribution record date will not apply for holders of publicly traded securities, which shall receive distributions in accordance with the applicable procedures of the DTC.

On the Effective Date, the ownership of the New Seadrill Common Shares shall be reflected through the facilities of DTC. None of the Debtors, the Reorganized Debtors (including Reorganized Seadrill), or any other Person shall be required to provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the New Seadrill Common Shares under applicable securities laws. DTC and any transfer agent shall be required to accept and conclusively rely upon the Plan or Confirmation Order in lieu of a legal opinion regarding whether the New Seadrill Common Shares are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

All of the New Seadrill Common Shares issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the New Seadrill Common Shares under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. For the avoidance of doubt, any claimant's acceptance of New Seadrill Common Shares shall be deemed as its agreement to the New Organizational Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with its terms.

The Debtors shall effect the listing of the New Seadrill Common Shares (i) on either the New York Stock Exchange or the Oslo Stock Exchange on or as soon as reasonably practicable, and in any event, within six (6) weeks of the Effective Date; *provided* that an extension of up to three (3) weeks of the foregoing deadline may be permitted with the consent of the Required Backstop Parties and (ii) on the New York Stock Exchange and the Oslo Stock Exchange on or as soon as reasonably practicable after, and in any event within three (3) months of the Effective Date or, in each case, if in the reasonable judgment of the board of directors of the Reorganized Debtors or Reorganized Seadrill, as applicable, such listing on the New York Stock Exchange is not feasible in accordance with the listing requirements thereof, then on another nationally recognized stock exchange.

3. New First Lien Facility

The Debtors or Reorganized Debtors, as applicable, shall, pursuant to the Description of Transaction Steps, enter into the New First Lien Facility and related New First Lien Finance Documents on or before the Effective Date, on the terms set forth in the New First Lien Facility Finance Documents and included in the Plan Supplement. The New First Lien Facility will be entered into by the Debtors or Reorganized Debtors, as applicable, in exchange for Cash funded by the lenders thereunder on the Effective Date. In addition to the rights and interests granted to the lenders under the New First Lien Facility Finance Documents, the lenders under the New First Lien Facility shall receive, on the Effective Date, their ratable share of the New-Money Equity (subject to dilution by the Management Incentive Plan and the Convertible Bonds Equity (if any)).

Confirmation of the Plan shall be deemed approval of the New First Lien Facility Finance Documents (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Debtors or the Reorganized Debtors in connection therewith), to the extent not approved by the Bankruptcy Court previously, and the Debtors or Reorganized Debtors are authorized to execute and deliver those documents necessary or appropriate to consummate the applicable New First Lien Facility Finance Documents without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as may be agreed between the Debtors or Reorganized Debtors and the applicable holders of Credit Agreement Claims.

On the Effective Date, and without the need for any further corporate action or other action by holders of Claims or Interests, all of the Liens and security interests to be granted in accordance with the New First Lien Facility Finance Documents (a) shall be deemed to be granted, (b) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the New First Lien Facility Finance Documents, (c) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the New First Lien Facility Finance Documents, and (d) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the persons and entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

4. New Second Lien Facility

The Debtors or Reorganized Debtors, as applicable, shall, pursuant to the Description of Transaction Steps, enter into the New Second Lien Facility on or before the Effective Date, on the terms set forth in the New Second Lien Facility Finance Documents, and included in the Plan Supplement. The Prepetition Credit Facilities will be amended, restated, and combined into one single facility, in the form of the New Second Lien Facility, which will govern the amount of Credit Agreement Claims being reinstated as debt under the New Second Lien Facility. Participation in the New Second Lien Facility shall be distributed to holders of Credit Agreement Claims on the Effective Date on account of their respective Credit Agreement Claims in the manner set forth in the Plan.

Confirmation of the Plan shall be deemed approval of the New Second Lien Facility Finance Documents (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Debtors or the Reorganized Debtors in connection therewith), to the extent not approved by the Bankruptcy Court previously, and the Debtors or Reorganized Debtors are authorized to execute and deliver those documents necessary or appropriate to consummate the applicable New Second Lien Facility Finance Documents without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as may be agreed between the Debtors or Reorganized Debtors and the applicable holders of Credit Agreement Claims.

On the Effective Date, and without the need for any further corporate action or other action by holders of Claims or Interests, all of the Liens and security interests to be granted in accordance with the New Second Lien Facility Finance Documents (a) shall be deemed to be granted, (b) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the New Second Lien Facility Finance Documents, (c) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the New Second Lien Facility Finance Documents, and (d) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the persons and entities granted such Liens and security interests shall be authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, federal, or other law that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

5. Convertible Bonds

On the Effective Date, pursuant to the Description of Transaction Steps, Reorganized Seadrill will issue the Convertible Bonds to Hemen in exchange for $50 million in Cash, on the terms set forth in the Convertible Bonds Term Sheet and the Plan.

6. Net Scrap Proceeds

On the Effective Date, and thereafter as Net Scrap Proceeds are received from time to time for sales that were significantly progressed and scheduled to be consummated before the Effective Date (but ultimately were not so consummated), holders of Allowed Credit Agreement Claims shall receive their Pro Rata share of Cash equal to

the Net Scrap Proceeds attributable to the relevant Prepetition Credit Facility under which such Allowed Credit Agreement Claims arise as such Net Scrap Proceeds are received. The Plan Supplement will contain a list of all Net Scrap Proceeds attributable to each Prepetition Credit Facility. Notwithstanding anything in the Plan, any lien or interest in Net Scrap Proceeds shall remain until such Net Scrap Proceeds are distributed in accordance with this Plan and shall, for the avoidance of doubt, be senior to the liens and interests securing the New First Lien Facility and the New Second Lien Facility. Notwithstanding anything to the contrary, each holder of an Allowed $1.75B Credit Agreement Claim shall receive in Cash its pro rata share of the net proceeds of the *Sevan Driller* and *Sevan Brasil* Rigs upon their disposition, and each holder of an Allowed $1.35B Credit Agreement Claim shall receive in Cash its pro rata share of the net proceeds of the *West Orion* Rig upon its disposition, regardless of whether each such disposition occurs prior to or after the Effective Date, and regardless of the total amount of Allowed $1.75B Credit Agreement Claims and Allowed $1.35B Credit Agreement Claims, respectively.

D. Corporate Action

Upon the Effective Date, all actions contemplated under the Plan and all other acts or actions contemplated or reasonably necessary or appropriate to promptly consummate the Restructuring Transactions contemplated by the Plan (whether to occur before, on, or after the Effective Date) shall be deemed authorized and approved in all respects, including: (1) the distribution of the New Seadrill Common Shares; (2) implementation of the Restructuring Transactions; (3) entry into the New Credit Facility Finance Documents; (4) adoption of the New Organizational Documents; and (5) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases. All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtor, as applicable, in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, including the New Seadrill Common Shares, the New Organizational Documents, the New Credit Facility Finance Documents, and any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article IV.D shall be effective notwithstanding any requirements under non-bankruptcy law.

E. Corporate Existence

Except as otherwise provided in the Plan, including the Description of Transaction Steps, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and by-laws (or other formation documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable law).

F. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan (including, for the avoidance of doubt, the Description of Transaction Steps and the Restructuring Transactions), or in any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Debtor's Estate, all Claims, rights, defenses, and Causes of Action of the Debtors, and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, Causes of Action, charges, or other encumbrances. If the Reorganized Debtors default in performing under the provisions of the Plan and the Chapter 11 Cases are converted to Chapter 7, all property vested in each Reorganized Debtor and all subsequently acquired property owned as of or after the conversion date shall revest and constitute property of the bankruptcy Estates in the Chapter 7 Cases. On and after the Effective Date, except as otherwise provided herein, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

G. Cancellation of Prepetition Credit Agreements, Notes, Instruments, Certificates, and Other Documents

On the Effective Date, except as otherwise provided in the Plan, the Confirmation Order, any agreement, instrument or other document entered into in connection with or pursuant to the Plan or the Description of the Transaction Steps, all credit agreements, security agreements, intercreditor agreements, notes, instruments, Certificates, and other documents evidencing Claims or Interests, including the Prepetition Credit Agreements and Prepetition Finance Documents, shall be cancelled and the obligations of the Debtors or the Reorganized Debtors thereunder or in any way related thereto shall be discharged; *provided*, *that*, notwithstanding Confirmation or the occurrence of the Effective Date, any such Prepetition Credit Agreement or Prepetition Finance Document that governs the rights of the Holder of a Claim or Interest shall continue in effect solely for purposes of (a) enabling Holders of Allowed Claims and Allowed Interests to receive distributions under the Plan as provided herein, (b) governing the contractual rights and obligations among the Agents and the lenders party thereto (including, without limitation, indemnification, expense reimbursement, and distribution provisions) until the Reorganized Debtors emerge from the Chapter 11 Cases, (c) facilitating the amendment, reinstatement and combination of the Prepetition Credit Facilities into the New Second Lien Facility and amendment and continuation of relevant Prepetition Finance Documents, solely to the extent set forth in the Description of Transaction Steps and New Second Lien Facility Finance Documents, and (d) furthering any other purpose as set forth in the Description of Transaction Steps and New Finance Documents.

H. New Organizational Documents

To the extent required under the Plan or applicable non-bankruptcy law, on or as soon as reasonably practicable after the Effective Date, except as otherwise provided in the Plan or the Description of the Transaction Steps, the Reorganized Debtors will file the New Organizational Documents with the applicable Secretary of State and/or other applicable authorities in the state, province, or country of incorporation in accordance with the applicable corporate laws of the respective state, province, or country of incorporation. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents will prohibit the issuance of non-voting equity securities to the extent required thereby. After the Effective Date, the Reorganized Debtors may amend and restate the New Organizational Documents, and the Reorganized Debtors may file their respective certificates or articles of incorporation, bylaws, or such other applicable formation documents, and other constituent documents as permitted by the laws of the respective states, provinces, or countries of incorporation and the New Organizational Documents and the New Finance Documents.

I. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors and managers thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the New Finance Documents, and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan.

J. Certain Securities Law Matters

The Debtors will rely on section 1145(a) of the Bankruptcy Code to exempt from registration under the Securities Act the offer, issuance, and distribution of the New Seadrill Common Shares issued pursuant to the Plan (including, for the avoidance of doubt, the Rights Offering Participation Equity and the Equity Commitment Premium) with the exception of the New Seadrill Common Shares issued pursuant to the Backstop Commitment Letter on account of the Backstop Participation Equity (other than the Equity Commitment Premium). The offering, issuance, and distribution of such New Seadrill Common Shares pursuant to section 1145(a) of the Bankruptcy Code shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable law requiring registration prior to the offering, issuance, distribution, or sale of Securities in accordance with, and pursuant to, section 1145 of the Bankruptcy Code. Such New Seadrill Common Shares will be freely tradable in the United States by the recipients thereof, subject to the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with applicable securities laws and any rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments and subject to any restrictions in the New Organizational Documents.

The New Seadrill Common Shares issued pursuant to the Backstop Commitment Letter on account of the Backstop Participation Equity (other than the Equity Commitment Premium) will be issued without registration in reliance upon the exemption set forth in Regulation S or in Section 4(a)(2) of the Securities Act. Any securities

issued in reliance on Section 4(a)(2), including in compliance with Rule 506 of Regulation D, and/or Regulation S, will be subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration, or an applicable exemption from registration under the Securities Act and other applicable law such as, under certain conditions, the resale provisions of Rule 144 of the Securities Act or Regulation S of the Securities Act.

K. Section 1146(a) Exemption

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan, including: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors; (b) the Restructuring Transactions; (c) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (d) the making, assignment, or recording of any lease or sublease; (e) the grant of collateral as security for any or all of the New First Lien Facility, New Second Lien Facility, and the Amended SFL Charters, if applicable; or (f) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146 of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

L. Employee and Retiree Benefits

Unless otherwise provided or listed on the Rejected Executory Contract and Unexpired Lease List, all Compensation and Benefits Programs shall be assumed by the Reorganized Debtors and shall remain in place as of the Effective Date, and the Reorganized Debtors will continue to honor such agreements, arrangements, programs, and plans. For the avoidance of doubt, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

M. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action of the Debtors, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action included in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII of the Plan, as well as in the Cash Collateral Order, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action of the Debtors against it. Except as specifically released under the Plan or pursuant to a Final Order (including the Cash Collateral Order), the Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity.** Unless any Causes of Action of the Debtors against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or pursuant to a Final Order (including the Cash Collateral Order), the Reorganized Debtors expressly reserve all such Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain the Causes of Action of the Debtors notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code and except as expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or pursuant to a Final Order (including the Cash Collateral Order), any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

N. Independent Directors of NADL

As of the Effective Date, the term of the independent directors of NADL shall expire; *provided*, that they shall retain authority following the Effective Date with respect to matters related to Professional Fee Claim requests by Professionals acting at their authority and direction in accordance with the terms of the Plan. The independent directors of NADL shall not have any of their privileged and confidential documents, communications or information transferred (or deemed transferred) to the Reorganized Debtors.

ARTICLE V
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided herein, each Executory Contract and Unexpired Lease (including those set forth in the Assumed Executory Contract and Unexpired Lease List) shall be assumed and assigned to the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than: (1) those that are identified on the Rejected Executory Contract and Unexpired Lease List; (2) those that have been previously rejected by a Final Order; (3) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; or (4) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date. Each of the Assumed Executory Contract and Unexpired Lease List and the Rejected Executory Contract and Unexpired Lease List shall be reasonably acceptable to the CoCom and Ad Hoc Group and the Debtors shall not seek to assume or reject Executory Contracts and Unexpired Leases, except with the prior written consent (which may be provided through electronic mail) of the CoCom and Ad Hoc Group (which consent shall not be unreasonably withheld).

Entry of the Confirmation Order by the Bankruptcy Court shall constitute a Final Order approving the assumptions and assumptions and assignments of the Executory Contracts and Unexpired Leases as set forth in the Plan and the Assumed Executory Contract and Unexpired Lease List and the rejections of the Executory Contracts and Unexpired Leases as set forth in the Rejected Executory Contract and Unexpired Lease List, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A or by any order of the Bankruptcy Court, which has not been assigned to a third party prior to the Confirmation Date, shall revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Notwithstanding anything to the contrary in the Plan, the Debtors, with the consent (which may be provided through electronic mail) of the CoCom and Ad Hoc Group (which consent shall not be unreasonably withheld), or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Rejected Executory Contract and Unexpired Lease List or Assumed Executory Contract and Unexpired Lease List identified in this Article V.A and in the Plan Supplement at any time through and including 45 days after the Effective Date.

To the extent that any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any "change of control" provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the Executory Contract or Unexpired Lease counterparty thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto.

B. Indemnification Obligations

On and after the Effective Date, the Indemnification Provisions will be assumed and irrevocable and survive the Effective Date. The New Organizational Documents, if any, will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' current and former directors, officers, managers, employees, and agents to the fullest extent permitted by law and, as relevant, at least to the same extent as the organizational documents of each of the respective Debtors, against any claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted. None of the Debtors or the Reorganized Debtors, as applicable, will take any action to amend and/or restate their respective governance documents before or after the Effective Date to amend, augment, terminate, or adversely affect any of the Debtors' or the Reorganized Debtors' obligations to provide such indemnification rights or such directors', officers', managers', employees', or agents' indemnification rights.

C. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within 30 days after the later of (1) the Claims Bar Date or (2) entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates, or their property without the need for any objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III hereof.

D. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least twenty-one days prior to the Confirmation Hearing, the Debtors shall provide for notices of proposed assumption and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served, and actually received by the Debtors at least seven days prior to the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. **Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

E. Preexisting Obligations to the Debtors under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously

purchased by the Debtors contracting from non-Debtor counterparties to rejected Executory Contracts or Unexpired Leases.

F. Insurance Policies

Each of the Insurance Policies are treated as Executory Contracts under the Plan. Unless otherwise provided herein or in the Plan Supplement or any document related thereto, on the Effective Date, (1) the Debtors shall be deemed to have assumed all Insurance Policies, and (2) such Insurance Policies shall revest in the Reorganized Debtors. Nothing in the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any other order of the Bankruptcy Court (including any other provision that purports to be preemptory or supervening), (x) alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by) any of such Insurance Policies or (y) alters or modifies the duty, if any, that the Insurers pay claims covered by such Insurance Policies and their right to seek payment or reimbursement from the Debtors (or after the Effective Date, the Reorganized Debtors) or draw on any collateral or security therefor. For the avoidance of doubt, Insurers shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

The Debtors or the Reorganized Debtors, as applicable, shall not terminate or otherwise reduce the coverage under any directors' and officers' Insurance Policies in effect prior to the Effective Date, and any directors and officers of the Debtors who served in such capacity at any time before or after the Effective Date shall be entitled, subject to and in accordance with the terms and conditions of such Insurance Policy in all respects, to the full benefits of any such Insurance Policy for the full term of such policy regardless of whether such directors and/or officers remain in such positions after the Effective Date. For the avoidance of doubt, the directors' and officers' Insurance Policies shall revest in the Reorganized Debtors. Notwithstanding anything herein to the contrary, the Debtors shall retain the ability to supplement such directors' and officers' insurance policies as the Debtors deem necessary, including by purchasing any tail coverage (including, without limitation, a tail policy).

G. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

H. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contract and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, subject to any consent rights of the CoCom and Ad Hoc Group (which consent shall not be unreasonably withheld), or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease under the Plan.

I. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

J. Employee Compensation and Benefits

1. Compensation and Benefit Programs

Subject to the provisions of the Plan, all Compensation and Benefits Programs shall be treated as Executory Contracts under the Plan and deemed assumed on the Effective Date pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, except for:

(a) all employee equity or equity-based incentive plans, and any provisions set forth in the Compensation and Benefits Programs that provide for rights to acquire existing Interests in any of the Debtors;

(b) Compensation and Benefits Programs that have been rejected pursuant to an order of a Bankruptcy Court;

(c) Compensation and Benefits Programs listed on the Rejected Executory Contract and Unexpired Lease List; and

(d) any Compensation and Benefits Programs that, as of the entry of the Confirmation Order, have been specifically waived by the beneficiaries of any Compensation and Benefits Program.

Any assumption of Compensation and Benefits Programs pursuant to the terms herein shall be deemed not to trigger (i) any applicable change of control, immediate vesting, termination (similar provisions therein) and (ii) an event of "Good Reason" (or a term of like import), in each case as a result of the Consummation of the Restructuring Transactions. No counterparty shall have rights under a Compensation and Benefits Program assumed pursuant to the Plan other than those applicable immediately prior to such assumption.

2. Workers' Compensation Programs.

As of the Effective Date, except as set forth in the Plan Supplement, the Debtors and the Reorganized Debtors shall continue to honor their obligations under: (a) all applicable workers' compensation laws in states in which the Reorganized Debtors operate; and (b) the Debtors' written contracts, agreements, agreements of indemnity, self-insured workers' compensation bonds, policies, programs, and plans for workers' compensation and workers' compensation insurance. All Proofs of Claims on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; provided, that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy Law with respect to any such contracts, agreements, policies, programs, and plans; provided, further, that nothing herein shall be deemed to impose any obligations on the Debtors in addition to what is provided for under applicable state law.

K. Contracts and Leases Entered into after the Petition Date

Notwithstanding anything contained herein (including any release, discharge, exculpation or injunction provisions) or the Confirmation Order, contracts, agreements, instruments, Certificates, leases and other documents entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or the Reorganized Debtors liable thereunder in the ordinary course of their business. Accordingly, such contracts, agreements, instruments, Certificates, leases and other documents (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by the Plan (including the release, discharge, exculpation and injunction provisions), the entry of the Confirmation Order and any other Definitive Documents.

L. Prepetition SFL Charters

The Prepetition Linus Charters shall be included on the Rejected Executory Contract and Unexpired Lease List and deemed rejected on the Effective Date, unless the Debtors and SFL agree to the terms of amended Prepetition Linus Charters, with the consent of the CoCom and the Ad Hoc Group (not to be unreasonably withheld, conditioned, or delayed).

If the Prepetition Linus Charters are rejected, the Claims for rejection damages shall be included in (a) Class 1 Other Secured Claims, solely in the amount of the applicable pledged earnings accounts and receivables as of the Effective Date, and (b) the balance shall be included as Class 6 General Unsecured Claims. If amended

Prepetition Linus Charters are entered into with respect of the Prepetition Linus Charters on the Effective Date, then such amended Prepetition Linus Charters shall amend and supersede the Prepetition Linus Charters in all respects and entry into the amended Prepetition Linus Charters shall be in full and final satisfaction of all Claims on account of such Prepetition Linus Charters.

The Prepetition Taurus Charter was rejected by Final Order of the Bankruptcy Court and the Claims arising therefrom shall be included in Class 6 General Unsecured Claims.

ARTICLE VI
PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions on Account of Claims and Interests Allowed as of the Effective Date

Except as otherwise provided (i) herein, (ii) upon a Final Order, or (iii) in an agreement by the Debtors or the Reorganized Debtors, as the case may be, and the holder of the applicable Claim or Interest, on the Effective Date or as reasonably practicable thereafter, the Distribution Agent shall make initial distributions under the Plan on account of Claims and Interests Allowed on or before the Effective Date, subject to the Reorganized Debtors' right to object to Claims and Interests; *provided*, *however*, that (1) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice and (2) Allowed Priority Tax Claims shall be paid in accordance with Article II.C of the Plan.

B. Rights and Powers of Distribution Agent

1. Powers of the Distribution Agent

The Distribution Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred on or after the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Distribution Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Distribution Agent shall be paid in Cash by the Reorganized Debtors.

C. Special Rules for Distributions to Holders of Disputed Claims and Interests

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the relevant parties, unless as otherwise agreed to by the Debtors or set forth in an order of the Bankruptcy Court: (a) no partial payments and no partial distributions shall be made with respect to a Disputed Claim or Interest until all such disputes in connection with such Disputed Claim or Interest have been resolved by settlement or Final Order; *provided*, *however,* that if a portion of a Claim is not Disputed, the Distribution Agent may make a partial distribution based on such portion of such Claim that is not Disputed; and (b) any Entity that holds both an Allowed Claim or Interest and a Disputed Claim or Interest shall not receive any distribution on the Allowed Claim or Interest unless and until all objections to the Disputed Claim or Interest have been resolved by settlement or Final Order or the Claims or Interests have been Allowed or expunged. Any dividends or other distributions arising from property distributed to holders of Allowed Claims or Interests, as applicable, in a Class and paid to such holders under the Plan shall also be paid, in the applicable amounts, to any holder of a Disputed Claim or Interest, as applicable, in such Class that becomes an Allowed Claim or Interest after the date or dates that such dividends or other distributions were earlier paid to holders of Allowed Claims or Interests in such Class.

D. Delivery of Distributions

The Distribution Agent shall make all distributions, allocations, and/or issuances required under the Plan, at which time such distributions shall be deemed complete. Notwithstanding any provision of the Plan to the contrary, all distributions on account of Credit Agreement Claims shall be made by the entry into effect of the New First Lien

Facility Agreement and New Second Lien Facility Agreement in accordance with the applicable New Credit Facility Finance Documents or the Equity Recovery, as applicable.

Except as otherwise provided herein (including, for the avoidance of doubt, as set forth in the foregoing paragraph with respect to distributions to holders of Credit Agreement Claims), and notwithstanding any authority to the contrary, distributions to holders of Allowed Claims, including Claims that become Allowed after the Effective Date, shall be made to holders of record as of the Effective Date by the Distribution Agent: (1) to the address of such holder as set forth in the books and records of the applicable Debtor (or if the Debtors have been notified in writing, on or before the date that is 10 days before the Effective Date, of a change of address, to the changed address); (2) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004, if no address exists in the Debtors books and records, no Proof of Claim has been Filed and the Distribution Agent has not received a written notice of address or change of address on or before the date that is 10 days before the Effective Date; or (3) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. Notwithstanding anything to the contrary in the Plan, including this Article VI.D of the Plan, the Debtors, the Reorganized Debtors, and the Distribution Agent shall not incur any liability whatsoever on account of any distributions under the Plan.

1. Accrual of Distributions and Other Rights

For purposes of determining the accrual of distributions or other rights after the Effective Date, the New Seadrill Common Shares shall be deemed distributed as of the Effective Date regardless of the date on which they are actually issued, dated, authenticated, or distributed; *provided*, *however*, the Reorganized Debtors shall not pay any such distributions or distribute such other rights, if any, until after distributions of the New Seadrill Common Shares actually take place.

2. Compliance Matters

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

3. Foreign Currency Exchange Rate

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal*, National Edition, on the Petition Date.

4. Fractional, Undeliverable, and Unclaimed Distributions

(a) *Fractional Distributions*. Whenever any distribution of fractional shares or units of the New Seadrill Common Shares would otherwise be required pursuant to the Plan, the actual distribution shall reflect a rounding of such fraction to the nearest share (up or down), with half shares or less being rounded down. Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

(b) *Undeliverable Distributions*. If any distribution to a holder of an Allowed Claim or Interest is returned to the Distribution Agent as undeliverable, no further distributions shall be made to such holder unless and until the Distribution Agent is notified in writing of such holder's then-current address or other necessary information for delivery, at which time all currently due missed distributions shall be made to such holder on the next Distribution Date. Undeliverable distributions shall remain in the possession of the Reorganized Debtors until such time as a distribution becomes deliverable, or such

distribution reverts to the Reorganized Debtors or is cancelled pursuant to Article VI.D.(c) of the Plan, and shall not be supplemented with any interest, dividends, or other accruals of any kind.

(c) *Reversion*. Any distribution under the Plan that is an Unclaimed Distribution for a period of six months after distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and such Unclaimed Distribution shall revest in the applicable Reorganized Debtor and, to the extent such Unclaimed Distribution is New Seadrill Common Shares, shall be deemed cancelled. Upon such revesting, the Claim or Interest of any holder or its successors with respect to such property shall be cancelled, discharged, and forever barred notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws, or any provisions in any document governing the distribution that is an Unclaimed Distribution, to the contrary.

5. Surrender of Cancelled Instruments or Securities

On the Effective Date, each holder of a Certificate shall be deemed to have surrendered such Certificate to the Distribution Agent. Such Certificate shall be cancelled solely with respect to the Debtors (other than any Certificate that survives and is not cancelled pursuant to the Plan), and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Certificate. Notwithstanding the foregoing paragraph, this Article VI shall not apply to any Claims and Interests Reinstated pursuant to the terms of the Plan.

E. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

A Claim shall be reduced in full, and such Claim shall be disallowed without an objection to such Claim having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall repay, return or deliver any distribution held by or transferred to the holder to the applicable Reorganized Debtor to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan; *provided* that the foregoing shall not prejudice such third party's rights (including, for the avoidance of doubt, subrogation rights) with respect to the Debtors and the Reorganized Debtors.

2. Claims Payable by Insurance Carriers

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Notice and Claims Agent without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided herein, distributions to holders of Allowed Claims shall be in accordance with the provisions of an applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

F. Setoffs

Except as otherwise expressly provided for herein, each Reorganized Debtor, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, may set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any claims,

rights, and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the holder of such Allowed Claim, to the extent such claims, rights, or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); *provided*, *however*, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such claims, rights, and Causes of Action that such Reorganized Debtor may possess against such holder; *provided*, *further*, that such holder may contest any such set off by a Reorganized Debtor in the Bankruptcy Court or any other court of competent jurisdiction. For the avoidance of doubt, any such right of set off may be preserved by Filing a Proof of Claim related to such right of set off prior to the Claims Bar Date.

G. Allocation between Principal and Accrued Interest

Except as otherwise provided herein, the aggregate consideration paid to holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to the interest, if any, on such Allowed Claim accrued through the Effective Date.

H. Minimum Distributions

Holders of Allowed Claims entitled to distributions of $50 or less shall not receive distributions, and each Claim to which this limitation applies shall be discharged pursuant to Article VIII of the Plan and its holder shall be forever barred pursuant to Article VIII of the Plan from asserting that Claim against the Reorganized Debtors or their property.

ARTICLE VII
PROCEDURES FOR RESOLVING DISPUTED CLAIMS

A. Allowance of Claims

Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), (i) after the Effective Date, each of the Debtors or the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor had with respect to any Claim immediately before the Effective Date, including, for the avoidance of doubt, the Causes of Action retained pursuant to Article IV.M of the Plan, and (ii) no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code, or the Bankruptcy Court has entered a Final Order, including the Confirmation Order (when it becomes a Final Order), in the Chapter 11 Cases allowing such Claim.

B. Claims and Interests Administration Responsibilities

Except as otherwise specifically provided in the Plan, and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Reorganized Debtors shall have the sole authority to File and prosecute objections to Claims or Interests, and the Reorganized Debtors shall have the sole authority to (1) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all Claims or Interests, regardless of whether such Claims are in a Class or otherwise; (2) settle, compromise, or resolve any Disputed Claim or Interest without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court. For the avoidance of doubt, except as otherwise provided herein, from and after the Effective Date, each Reorganized Debtor shall have and retain any and all rights and defenses such Debtor had immediately prior to the Effective Date with respect to any Disputed Claim or Interest, including the Causes of Action retained pursuant to Article IV.M of the Plan.

C. Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to applicable law, including, without limitation, pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any such Claim, including during the litigation of any objection to any Claim or during the appeal relating to such objection. Notwithstanding any provision to the contrary in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates

any Claim, such estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions and discharge) and may be used as evidence in any supplemental proceedings, and the Debtors or the Reorganized Debtors, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before seven (7) days after the date on which such Claim is estimated. Each of the foregoing Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Disputed and Contingent Claims Reserve

On or before the Effective Date, in consultation with the CoCom and Ad Hoc Group, the Debtors or Reorganized Debtors, as applicable, shall be authorized, but not directed, to establish one or more reserves for alleged General Unsecured Claims that are Disputed, contingent, or have not yet been Allowed, in an estimated amount or amounts as reasonably determined by the applicable Debtors or Reorganized Debtors, as applicable, in their discretion, consisting of the applicable consideration in the same proportions and amounts as provided for in the Plan. The Reorganized Debtors shall distribute such amounts (net of any expenses, including any taxes relating thereto), as provided herein, as such Claims or Interests are resolved by a Final Order or agreed to by settlement, and such amounts will be distributable on account of such Claims as such amounts would have been distributable had such Claims been Allowed as Claims as of the Effective Date under Article III of the Plan solely to the extent of the amounts available in the applicable reserves. For U.S. tax purposes, any assets held in any such reserve may be subject to the tax rules that apply to "disputed ownership funds" under 26 C.F.R. 1.468B–9. If such rules apply, under U.S. tax principles, such assets would be subject to entity-level taxation, and the Debtors and Reorganized Debtors would be required to comply with the relevant rules. However, it is unclear whether U.S. tax principles will apply to any such reserve and, as a result, the tax consequences of such a reserve may vary. In all circumstances, the Debtors and Reorganized Debtors will comply with any relevant rules.

E. Adjustment to Claims without Objection

Any duplicate Claim or Interest, any Claim or Interest that is substantiated by an invoice that is invalid, previously rejected, or otherwise deemed erroneous by the Debtors, or any Claim or Interest that has been paid, satisfied, amended, or superseded, may be adjusted or expunged on the Claims Register by the Debtors or the Reorganized Debtors, as applicable, without the Debtors or Reorganized Debtors, as applicable, having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

F. Time to File Objections to Claims.

Any objections to Claims shall be Filed on or before the later of (1) 180 days after the Effective Date and (2) such other period of limitation as may be specifically fixed by the Debtors or the Reorganized Debtors, as applicable, or by a Final Order of the Bankruptcy Court for objecting to such claims. For the avoidance of doubt, the Bankruptcy Court may extend the time period to object to Claims set forth in this paragraph at any time, including before or after the expiration of 180 days after the Effective Date, in its discretion or upon request by the Debtors, Reorganized Debtors, or any party in interest.

G. Disallowance of Claims and Interests

All Claims and Interests of any Entity from which property is recoverable or sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors or the Reorganized Debtors. All Proofs of Claim Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as otherwise provided herein, if a party Files a Proof of Claim and the Debtors or the Reorganized Debtors, as applicable, do not determine, and without the need for notice to or action, order, or approval of the

Bankruptcy Court, that the Claim subject to such Proof of Claim is Allowed, such Claim shall be Disputed unless Allowed or disallowed by a Final Order or as otherwise set forth in this Article VII of the Plan. **Except as otherwise provided herein or as agreed to by the Reorganized Debtors, any and all Proofs of Claim Filed after the Claims Bar Date shall be disallowed and forever barred, estopped, and enjoined from assertion and expunged as of the Effective Date, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, and holders of such Claims may not receive distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.**

H. Amendments to Claims

On or after the Effective Date, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and any such new or amended Claim Filed shall be deemed disallowed in full and expunged without any further action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law.

I. No Distribution Pending Allowance

If an objection to a Claim or portion thereof is Filed, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim, unless otherwise determined by the Reorganized Debtors.

J. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, less any previous distribution (if any) that was made on account of the undisputed portion of such Claim, without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law or as otherwise provided herein.

K. No Interest

Unless otherwise specifically provided for herein or by order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

L. Single Satisfaction Rule

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claims, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of such Claims. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed 100 percent of the underlying Allowed Claim plus applicable interest, if any.

ARTICLE VIII
EFFECT OF CONFIRMATION OF THE PLAN

A. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and

Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the holder of such a Claim or Interest has accepted the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

B. Releases by the Debtors

Except as otherwise specifically provided in the Plan or the Confirmation Order, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, as of the Effective Date, each Released Party is deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Causes of Action, including any derivative claims asserted on behalf of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among the Debtors or between the Debtors and their non-Debtor Affiliates, the Prepetition Finance Documents, the Guarantee Facilities, the Cash Collateral Order, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Plan Support Agreement, the Disclosure Statement, the Backstop Commitment Letter, the Rights Offering, the New Credit Facility Finance Documents, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the Backstop Commitment Letter, the New Credit Facility Finance Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (i) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (ii) any Causes of Action specifically retained by the Debtors pursuant to the Schedule of Retained Causes of Action.

C. Releases by Holders of Claims and Interests

Except as otherwise specifically provided in the Plan or the Confirmation Order, as of the Effective Date, each Releasing Party is deemed to have released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Causes of Action, whether known or unknown, including any derivative claims asserted on behalf of the Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions between or among the Debtors or between the Debtors and their non-Debtor Affiliates, the Prepetition Finance Documents, the Guarantee Facilities, the Cash Collateral Order, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Plan Support Agreement, the Disclosure Statement, the Backstop Commitment Letter, the Rights Offering, the New Credit Facility Finance Documents, the Plan, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the Backstop Commitment Letter, the New Credit Facility Finance Documents, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (i) any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or (ii) any Causes of Action specifically retained by the Debtors pursuant to the Schedule of Retained Causes of Action.

D. Exculpation

Except as otherwise expressly provided in the Plan or the Confirmation Order, to the fullest extent permitted by applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from any Cause of Action for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan, or any Restructuring Transaction, contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, except for claims related to any act or omission that is determined in a final order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

E. Injunction

Except as otherwise specifically provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold claims or interests that have been released, discharged, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims or interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such claims or interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims or interests unless such holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a claim or interest or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.

F. Protection against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against any Reorganized Debtor, or any Entity with which a Reorganized Debtor has been or is associated, solely because such Reorganized Debtor was a Debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

G. Recoupment

In no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

H. Document Retention

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

I. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant holder of a Claim has Filed a Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

J. Release of Liens

Except (1) with respect to the Liens securing Other Secured Claims (depending on the treatment of such Claims), or (2) as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, including for the avoidance of doubt, the New Credit Facility Finance Documents, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and the holders of such mortgages, deeds of trust, Liens, pledges, or other security interests shall execute such documents as may be reasonably requested by the Debtors or the Reorganized Debtors, as applicable, to reflect or effectuate such releases, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns.

K. Ipso Facto and Similar Provisions Ineffective

To the extent permitted by Law, any term of any prepetition policy, contract, or other obligation applicable to Debtors shall be void and of no further force or effect to the extent that such policy, contract, or other obligation is conditioned on, creates an obligation as a result of, or gives rise to a right of any Person based on (i) the insolvency or financial condition of a Debtor, (ii) the commencement of the Chapter 11 Cases, (iii) the confirmation or consummation of the Plan, or (iv) the Restructuring Transactions.

ARTICLE IX
CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied, in a manner reasonably acceptable to the CoCom and the Ad Hoc Group, or waived (with the consent of the CoCom and the Ad Hoc Group) pursuant to Article IX.B of the Plan:

1. entry of the Confirmation Order and no stay of the Confirmation Order shall then be in effect;

2. entry into the New Finance Documents (with all conditions precedent thereto having been satisfied or waived, other than the occurrence of the Effective Date);

3. issuance of the New Seadrill Common Shares (with all conditions precedent thereto having been satisfied or waived, other than the occurrence of the Effective Date), in each case, in accordance with the Plan, the Backstop Commitment Letter, and the Rights Offering Documents;

4. the effectiveness of any other applicable Definitive Documents subject to the consent and approval rights set forth in the Plan Support Agreement and the Backstop Commitment Letter (with all conditions precedent thereto having been satisfied or waived, other than the occurrence of the Effective Date);

5. the establishment and funding of the Professional Fee Escrow Account;

6. payment of the CoCom, the Ad Hoc Group, the SFL Parties', and Agents' reasonable and documented professional fees and expenses incurred and unpaid as of the Effective Date;

7. payment of the Backstop Parties' reasonable and documented professional fees and expenses incurred and unpaid as of the Effective Date;

8. payment of the Commitment Premium (as defined in the Backstop Commitment Letter) to the Backstop Parties in accordance with the terms of the Backstop Commitment Letter;

9. all requisite governmental authorities and third parties will have approved or consented to the Restructuring Transactions and any applicable waiting period under applicable law (including anti-trust law) shall have expired, in either case, to the extent required;

10. entry of an order in the Bermuda Dissolution Proceedings by the Bermuda Court recognizing the Confirmation Order; and

11. each of the Plan Support Agreement and the Backstop Commitment Letter shall not have been terminated and remain in full force and effect in accordance with its terms.

B. Waiver of Conditions Precedent

The Debtors, with the prior written consent (which may be provided through electronic mail and shall not be unreasonably withheld) of the CoCom and Ad Hoc Group, may waive any of the conditions to the Effective Date set forth in Article IX.A of the Plan at any time or as otherwise provided in the Plan Support Agreement or the Backstop Commitment Letter, without any notice to any other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm and consummate the Plan. The failure of the Debtors or Reorganized Debtors, as applicable, or the CoCom and Ad Hoc Group, to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

C. Effect of Non-Occurrence of Conditions to Consummation

If the Effective Date does not occur on or before the termination of the Plan Support Agreement or the Backstop Commitment Letter, then: (1) the Plan will be null and void in all respects; (2) nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims, Interests, or Causes of Action by an Entity; (b) prejudice in any manner the rights of any Debtor or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity; *provided, however*, that all provisions of the Plan Support Agreement and the Backstop Commitment Letter that survive the termination of these agreements (each accord to its terms) shall remain in effect in accordance with the terms thereof.

ARTICLE X
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification of Plan

Subject to the limitations and terms contained in the Plan and the approval rights of the CoCom and Ad Hoc Group, the Debtors reserve the right to (1) amend or modify the Plan before the entry of the Confirmation Order consistent with the terms set forth herein, in accordance with the Bankruptcy Code and the Bankruptcy Rules; and (2) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as applicable, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, the Plan Support Agreement, and the Backstop Commitment Letter, remedy any defect or omission, or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan consistent with the terms set forth herein, in each case with the prior written consent (which may be provided through electronic mail) of the CoCom and Ad Hoc Group, which consent will not be unreasonably withheld. The Debtors must give counsel to the CoCom and Ad Hoc Group at least five (5) business days' advance notice, or otherwise as much notice as is reasonably practicable, prior to withdrawing the Plan.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall constitute approval of all modifications to the Plan occurring after the solicitation thereof pursuant to section 1127(a) of the Bankruptcy Code and a finding that such modifications to the Plan do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Withdrawal of Plan

The Debtors reserve the right, subject to the terms of the Plan Support Agreement and the Backstop Commitment Letter and the approval rights of the parties set forth therein, to revoke or withdraw the Plan with respect to any or all Debtors before the Confirmation Date and to File subsequent chapter 11 plans. If the Debtors

revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then: (1) the Plan will be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effectuated by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects; and (3) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action by any Entity, (b) prejudice in any manner the rights of any Debtor or any other Entity, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity; *provided,* however, that all provisions of the Plan Support Agreement and the Backstop Commitment Letter that survive the termination of these agreements (each, according to its terms) shall remain in effect in accordance with the terms thereof.

ARTICLE XI
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. subject to Article VII.A of the Plan, allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Claim or Interest and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption or assumption and assignment of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; and (c) any dispute regarding whether a contract or lease is or was executory or expired;

4. ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of (a) contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases and (b) the Plan, the Confirmation Order, and contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan;

7. enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

8. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

9. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

10. hear, determine, and resolve any cases, matters, controversies, suits, disputes, or Causes of Action in connection with or in any way related to the Chapter 11 Cases, including: (a) with respect to the repayment or return of distributions and the recovery of additional amounts owed by

the holder of a Claim or an Interest for amounts not timely repaid pursuant to Article VI of the Plan; (b) with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan, including entry of such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions; (c) that may arise in connection with the Consummation, interpretation, implementation, or enforcement of the Plan and the Confirmation Order; or (d) related to section 1141 of the Bankruptcy Code;

11. decide and resolve all matters related to the issuance of the New Seadrill Common Shares and the Convertible Bonds and the execution of the New First Lien Facility and the New Second Lien Facility;

12. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

13. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

14. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

15. enter an order or Final Decree concluding or closing the Chapter 11 Cases;

16. enforce all orders previously entered by the Bankruptcy Court; and

17. hear and determine any other matters related to the Chapter 11 Cases and not inconsistent with the Bankruptcy Code or title 28 of the United States Code.

ARTICLE XII
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, exculpations, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims against and Interests in the Debtors shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or Interest has voted on the Plan.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan; *provided, however*, that such agreements and other documents shall be consistent in all material respects with the terms and conditions of the Plan Support Agreement and the New Credit Facility Term Sheet, including the condition that such agreements and other documents shall be in form and substance reasonably acceptable to the CoCom and Ad Hoc Group. The Debtors or the Reorganized Debtors, as applicable, and all holders of Claims and Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees

Prior to the Effective Date, the Debtors shall pay all fees due and payable pursuant to 28 U.S.C. § 1930(a)(6) and shall File monthly reports in a form reasonably acceptable to the U.S. Trustee. On or after the Effective Date, the Reorganized Debtors shall pay any and all fees when due and payable, and shall File with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Reorganized Debtor shall remain obligated to pay all fees to the U.S. Trustee until the applicable Debtor's Chapter 11 Case is closed.

D. Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, including the amounts set forth in Article III.D, or the taking of any action by any Debtor or any party in interest with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any party in interest prior to the Effective Date.

E. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each such Entity.

F. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall be served on:

Reorganized Debtors	**Seadrill Limited** Par-la-Ville Place 14 Par-la-Ville Road Hamilton HM 08, Bermuda Attention: Sandra Redding
Counsel to Debtors	**Kirkland & Ellis LLP** **Kirkland & Ellis International LLP** 300 North LaSalle Chicago, Illinois 60654 Attn.: Anup Sathy, P.C. Ross M. Kwasteniet, P.C. Brad Weiland Spencer Winters **Kirkland & Ellis LLP** **Kirkland & Ellis International LLP** 601 Lexington Avenue New York, New York 10022 Attn.: Christopher Marcus, P.C.
United States Trustee	**Office of the United States Trustee** **for the Southern District of Texas** 515 Rusk Street, Suite 3516 Houston, Texas 77002 Attn.: Hector Duran Stephen D. Statham

G. Term of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases (pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court) and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

H. Entire Agreement

Except as otherwise indicated, and without limiting the effectiveness of the Plan Support Agreement and the Backstop Commitment Letter, the Plan supersedes all previous and contemporaneous negotiations, promises,

covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. Plan Supplement

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from http://cases.primeclerk.com/SeadrillLimited or the Bankruptcy Court's website at www.txs.uscourts.gov/bankruptcy. Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control.

J. Non-Severability

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted; *provided that* any such alteration or interpretation shall be consistent with the Plan Support Agreement and the Backstop Commitment Letter and in form and substance reasonably satisfactory to the CoCom and Ad Hoc Group. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' consent, consistent with the terms set forth herein; and (3) nonseverable and mutually dependent.

K. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors, the CoCom, and the Ad Hoc Group, and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code and pursuant to section 1125(e) of the Bankruptcy Code, and participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered, issued, or sold under the Plan, and, therefore, neither any of such parties or individuals or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered, issued, or sold under the Plan.

L. Closing of Chapter 11 Cases

On and after the Effective Date, the Debtors or Reorganized Debtors shall be permitted to close all of the Chapter 11 Cases of the Debtors except for the Chapter 11 Cases of Debtor Seadrill Limited and any of Debtor identified in the Description of Transaction Steps as having its Chapter 11 Case remain open following the Effective Date, and all contested matters relating to any of the Debtors, including objections to Claims and any adversary proceedings, shall be administered and heard in the Chapter 11 Case of Debtor Seadrill Limited, irrespective of whether such Claim(s) were Filed or such adversary proceeding was commenced against a Debtor whose Chapter 11 Case was closed.

When all Disputed Claims have become Allowed or disallowed and all distributions have been made in accordance with the Plan, the Reorganized Debtors shall seek authority to close any remaining Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

M. Waiver or Estoppel

Each holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, the Plan Support Agreement, the Plan Supplement, or other papers Filed prior to the Confirmation Date.

N. Creditor Default

An act or omission by a holder of a Claim or an Interest in contravention of the provisions of this Plan shall be deemed an event of default under this Plan. Upon an event of default, the Reorganized Debtors may seek to hold the defaulting party in contempt of the Confirmation Order and may be entitled to reasonable attorneys' fees and costs of the Reorganized Debtors in remedying such default. Upon the finding of such a default by a creditor, the Bankruptcy Court may: (a) designate a party to appear, sign and/or accept the documents required under the Plan on behalf of the defaulting party, in accordance with Bankruptcy Rule 7070; (b) enforce the Plan by order of specific performance; (c) award judgment against such defaulting creditor in favor of the Reorganized Debtors in an amount, including interest, to compensate the Reorganized Debtors for the damages caused by such default; and (d) make such other order as may be equitable that does not materially alter the terms of the Plan.

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Dated: October 22, 2021

SEADRILL LIMITED
for itself and on behalf of all other Debtors

/s/ Grant Creed

Grant Creed
Chief Financial Officer
Seadrill Limited

REGISTRATION RIGHTS AGREEMENT

among

SEADRILL 2021 LIMITED

AND

THE HOLDERS PARTY HERETO

DATED February 22, 2022

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THIS REGISTRATION RIGHTS AGREEMENT, dated as of February 22, 2022 (this "Agreement"), is entered into by and among Seadrill 2021 Limited (to be renamed Seadrill Limited), a company incorporated under the laws of Bermuda (together with any successor entity thereto, including another Person (as defined below) that is or is to be the ultimate parent company of the Seadrill group following the effectiveness of the Plan (the "Company"), and each of the Holders (as defined below) that are parties hereto from time to time.

RECITALS

A. On February 7, 2021, Asia Offshore Drilling Limited and four affiliates each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code and on February 10, 2021, Seadrill Limited and the certain affiliate debtors (collectively, the Debtors") each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court.

B. The Company proposes to issue the Common Shares (as defined below) pursuant to, and upon the terms set forth in, the Plan (as defined below).

C. The Company and the Holders have agreed to enter into this Agreement pursuant to which the Company shall grant the Holders registration rights under the Securities Act (as defined below) with respect to the Registrable Securities (as defined below) in furtherance of the foregoing.

D. The Holders on Schedule I are deemed to have executed this Agreement pursuant to the Confirmation Order (as defined below).

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Holders hereby agree as follows:

AGREEMENT

Article I

DEFINITIONS

Section 1.1 Definitions. As used herein, the following terms shall have the following respective meanings:

"Adoption Agreement" shall mean an Adoption Agreement in the form attached hereto as Exhibit A.

"Affiliate" means, with respect to any Person, any Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

"Assignee" shall have the meaning set forth in Section 7.4.

"Automatic Shelf Registration Statement" means an "automatic shelf registration statement" as defined in Rule 405 (or any successor rule then in effect) promulgated under the Securities Act.

"beneficially owned", "beneficial ownership" and similar phrases have the same meanings as such terms have under Rule 13d-3 and 13d-5 (or any successor rule then in effect) under the Exchange Act, except that in calculating the beneficial ownership of any Holder, such Holder shall be deemed to have beneficial ownership of all securities that such Holder has the right to acquire, whether such right is currently exercisable or is exercisable upon the occurrence of a subsequent event.

"Board of Directors" shall mean the Board of Directors of the Company.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or obligated by law or executive order to close.

"Commission" shall mean the Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

"Common Shares" shall mean, collectively, the Company's common shares, each with a par value greater than $0.00 per share, any additional security paid, issued or distributed in respect of any such shares by way of a dividend, bonus share issue, share split or distribution, or in connection with a combination of shares, and any security into which such Common Shares or additional securities shall have been converted or exchanged in connection with a recapitalization, reorganization, reclassification, merger, amalgamation, consolidation, exchange, distribution or otherwise.

"Confirmation Order" means confirmation order with respect to the Plan.

"Control," and its correlative meanings, "Controlling," and "Controlled," shall mean the possession, direct or indirect (including through one or more intermediaries), of the power to direct or cause the direction of the management of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Demand Holder" shall mean, with respect to any Demand Holder Group, a Holder that is a member of such Demand Holder Group.

"Demand Holder Group" shall mean Holders holding, together with their Affiliates and Related Funds, at least 20 % of the issued and outstanding Shares that together issue a Demand Notice pursuant to Section 2.1(b).

"Demand Holder Majority" shall mean, with respect to any Demand Holder Group, Holders that are members of such Demand Holder Group holding a majority of the Registrable Securities to be included pursuant to a Demand Notice issued by such Demand Holder Group.

"Demand Notice" shall have the meaning ascribed to it in Section 2.1(b).

"Demand Registration" shall mean a registration of Shares pursuant to Section 2.1.

"Demand Right" shall have the meaning ascribed to it in Section 2.1(a).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"FINRA" shall mean the Financial Industry Regulatory Authority or any successor regulatory authority.

"Free Writing Prospectus" means any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

"Hemen Notes" shall mean those convertible notes issued pursuant to the Hemen Note Purchase Agreement.

"Hemen Note Purchase Agreement" shall mean that certain Note Purchase Agreement, dated on or about the date hereof by and among Seadrill 2021 Limited and Hemen Holding Ltd.

"Holders" shall mean the holders (including holders through affiliated funds) of Registrable Securities who are parties hereto (including, for the avoidance of doubt, Transferees of such Holders that acquire Registrable Securities in accordance with Section 7.4 and execute an Adoption Agreement in accordance with Section 7.4).

"Information" shall have the meaning ascribed to it in Section 4.1(i).

"Initial Notice" shall have the meaning ascribed to it in Section 3.1.

"Inspectors" shall have the meaning ascribed to it in Section 4.1(i).

"Issuer Free Writing Prospectus" means an issuer free writing prospectus as defined in Rule 433 under the Securities Act.

"Lock-up Period" shall have the meaning ascribed to it in Section 2.6(a).

"Marketed Underwritten Shelf Take-Down" shall have the meaning ascribed to it in Section 2.2(c)(i).

"Non-Marketed Shelf Take-Down" shall have the meaning ascribed to it in Section 2.2(d).

"Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, a company, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Piggyback Notice" shall have the meaning ascribed to it in Section 3.1(a).

"Piggyback Registration" shall mean any registration pursuant to Section 3.1(a).

"Plan" means the Debtors' *Joint Chapter 11 Plan of Reorganization of Seadrill Limited and its Debtors Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated July 24, 2021 [Docket No. 862], filed in the Bankruptcy Court (including all exhibits, schedules and supplements thereto and as it may be amended, modified or supplemented from time to time).

"Prospectus" shall mean the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the securities covered by such Registration Statement and, in each case, by all other amendments and supplements to such prospectus, including post-effective amendments and, in each case, all material incorporated by reference in such prospectus.

"Records" shall have the meaning ascribed to it in Section 4.1(i).

"Registrable Securities" shall mean, with respect to any Holder, at any time, the Common Shares held or beneficially owned by such Holder and issued pursuant to the Plan at such time; provided, however, that as to any Registrable Securities, such securities shall cease to be Registrable Securities (i) upon the sale thereof pursuant to an effective registration statement, (ii) upon the sale thereof pursuant to Rule 144 or Rule 145 under the Securities Act, (iii) when such securities cease to be issued and outstanding or (iv) if such securities shall have been otherwise transferred to a Person (other than a Related Fund of a Holder, an Affiliate of such Holder, another Holder or an Affiliate of such other Holder) and new certificates or book-entries for them not bearing a legend restricting transfer shall have been delivered by the Company and such securities may be publicly resold without registration under the Securities Act.

"Registration Statement" shall mean any Registration Statement of the Company which covers the Registrable Securities, including any preliminary Prospectus and the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits thereto and all material incorporated by reference in such Registration Statement.

"Related Fund" shall mean any investment manager or advisor that controls, manages, advises or subadvises a Holder.

"Rule 144" shall mean Rule 144 under the Securities Act (or successor rule).

"Rule 144A" shall mean Rule 144A under the Securities Act (or successor rule).

"Seasoned Issuer" means an issuer eligible to use a registration statement on Form F-3 or S-3 under the Securities Act and who is not an "ineligible issuer" as defined in Rule 405.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Selling Investors" shall mean the Holders selling Registrable Securities pursuant to a Registration Statement under this Agreement.

"Selling Investors' Counsel" shall have the meaning set forth in Section 4.1(b).

"Shares" shall mean Common Shares (i) issued pursuant to that certain Backstop Commitment Letter, dated as of July 23, 2021, by and among the Company and the Backstop Parties thereto, held or beneficially owned by such Holders, that are issued other than pursuant to Section 1145 of the Bankruptcy Code or are otherwise deemed to be securities held by affiliates under applicable securities laws, and (ii) issued or issuable upon conversion of the Hemen Notes, and shall also include any security of the Company issued in respect of or in exchange for such securities of the Company described in the foregoing clause (i) and (ii), whether by way of dividend or other distribution, bonus share issue, share split, recapitalization, merger, amalgamation, rollup transaction, consolidation or reorganization.

"Shelf Holder" shall have the meaning ascribed to it in Section 2.2(a).

"Shelf Registration" shall have the meaning ascribed to it in Section 2.2(a).

"Shelf Registration Statement" shall have the meaning ascribed to it in Section 2.2(a).

"Shelf Take-Down" shall have the meaning ascribed to it in Section 2.2(a).

"Shelf Take-Down Notice" shall have the meaning ascribed to it in Section 2.2(c)(iii).

"Subsidiary" shall mean each Person in which another Person owns or controls, directly or indirectly, capital stock or other equity interests representing more than 50% in voting power of the outstanding capital stock or other equity interests.

"Transfer" shall mean any direct or indirect sale, assignment, transfer, conveyance, gift, bequest by will or under intestacy laws, pledge, hypothecation or other encumbrance, or any other disposition, of the stated security (or any interest therein or right thereto, including the issuance of any total return swap or other derivative whose economic value is primarily based upon the value of the stated security) or of all or part of the voting power (other than the granting of a revocable proxy) associated with the stated security (or any interest therein) whatsoever, or any other transfer of beneficial ownership of the stated security, with or without consideration and whether voluntarily or involuntarily (including by operation of law).

"Transferee" shall mean a Person acquiring Shares pursuant to a Transfer.

"Underwritten Offering" shall mean a sale, on the Company's or any Holder's behalf, of Shares by the Company or a Holder to an underwriter for reoffering to the public.

"Underwritten Shelf Take-Down" shall have the meaning ascribed to it in Section 2.2(c).

"Underwritten Shelf Take-Down Notice" shall have the meaning ascribed to it in Section 2.2(c).

"Well-Known Seasoned Issuer" means a "well-known seasoned issuer" as defined in Rule 405 promulgated under the Securities Act (or any successor rule then in effect) and which (i) is a "well-known seasoned issuer" under paragraph (1)(i)(A) of such definition or (ii) is a "well-known seasoned issuer" under paragraph (1)(i)(B) of such definition and is also eligible to register a primary offering of its securities relying on General Instruction I.B.1 of Form S-3 or Form F-3 under the Securities Act.

Article II

DEMAND AND SHELF REGISTRATION

Section 1.1 Right to Demand; Demand Notices.

(a) Holders' Demand for Registration. If the Company (i) is in violation of its obligation to file a Shelf Registration Statement pursuant to Section 2.2(a) or (ii) following the effectiveness of the Shelf Registration Statement contemplated by Section 2.2(a), thereafter ceases to have an effective Shelf Registration Statement except as otherwise permitted under this Agreement, subject to the provisions of this Article II, at any time and from time to time, a Demand Holder Group shall have the right to request in writing that the Company register the sale on Form F-1 or S-1 (or any successor form thereto) or on Form F-3 or S-3 (or any successor form thereto) under the Securities Act of all or part of the Registrable Securities beneficially owned by such Demand Holder Group (and/or its Affiliates) (a "Demand Right").

(b) Demand Notices. All requests made pursuant to this Section 2.1 shall be made by providing written notice to the Company (each such written notice, a "Demand Notice"), which notice shall (i) specify the aggregate number and class or classes of Registrable Securities proposed to be registered by the Demand Holder Group (and/or its Affiliates) providing such Demand Notice and (ii) state the intended methods of disposition in the offering (including whether or not such offering shall be an Underwritten Offering). The Company shall

effect any requested Demand Registration using a Registration on Form F-3 or S-3 whenever the Company is a Seasoned Issuer or a Well-Known Seasoned Issuer and shall use an Automatic Shelf Registration Statement if it is a Well-Known Seasoned Issuer. For the avoidance of doubt, the Company represents that it is not an "ineligible issuer" as defined in Rule 405 under the Securities Act.

(c) Demand Filing. Subject to Section 2.3, promptly (but in any event within five (5) Business Days) after receipt of any Demand Notice, the Company shall give written notice of the Demand Notice to all other Holders of Registrable Securities and otherwise comply with Section 3.1. Subject to Section 2.3, the Company shall use reasonable best efforts to file (or confidentially submit) the Registration Statement in respect of a Demand Notice as soon as practicable and, in any event, within 30 days after receiving a Demand Notice and shall use reasonable best efforts to cause the same to be declared effective by the Commission as promptly as practicable after such filing (or confidential submission) and, in any event, within 10 days of resolving all Commission comments or receiving notice that such Registration Statement will not be reviewed.

(d) Demand Withdrawal. A Demand Holder may withdraw all or any portion of its Registrable Securities from a Demand Registration by providing written notice to the Company at any time prior to the execution of an underwriting agreement. The withdrawal of a Demand Holder shall not cause a Demand Holder Group to cease to hold the required number of Registrable Securities for purposes of this Section 2.1.

Section 1.2 Shelf Registration.

(a) Filing. As promptly as practicable, the Company will, pursuant to the requirements of this Section 2.2(a), file (or confidentially submit) on Form F-1 or S-1 (the "Form F-1 Shelf") or, if available, on Form F-3 or S-3 (a "Form F-3 Shelf" and, together with the Form F-1 Shelf and any Automatic Shelf Registration Statement, if available, a "Shelf Registration Statement") a Shelf Registration Statement upon the written request by any of the Holders or group of Holders who collectively have beneficial ownership of at least 5% of the issued and outstanding Shares that the Company register under the Securities Act all or a portion of the Registrable Securities owned by such Holder or group of Holders at such time in accordance with Rule 415 under the Securities Act or any successor rule thereto (a "Shelf Registration"). Subject to Section 2.3, the Company shall give written notice of such request to all Holders promptly (but in any event within five (5) Business Days after receipt of any such written request from a Holder or group of Holders) and otherwise comply with Section 3.1. With respect to each Shelf Registration, (i) the Company shall add Registrable Securities of any Holder who requests in writing that the Company include the Registrable Securities owned by such Holder in the Shelf Registration Statement; provided, that, such written request is delivered to the Company at least ten (10) Business Days prior to the effectiveness of the Shelf Registration Statement, (ii) the Company shall use its reasonable best efforts to file (or confidentially submit) with the Commission as soon as practicable, and, in any event, within 30 days (or if "fresh start" accounting is required, within 90 days), a Shelf Registration Statement after it receives a request under this Section 2.2(a) to register all or a portion of the Registrable Securities, (iii) the Company shall use its reasonable best efforts to cause to be declared effective the Shelf Registration Statement as promptly as practicable after the filing (or confidential submission) thereof and, in any event, within 10 days of resolving all Commission comments or receiving notice that the Shelf Registration Statement will not be reviewed and (iv) the Shelf Registration Statement shall include a Plan of Distribution disclosure in customary form for similar resale registration statements as requested and/or approved by the Holders requesting such Shelf Registration Statement.

(b) Shelf Take-Downs. Any Holder whose Registrable Securities are included in an effective Shelf Registration Statement (a "Shelf Holder") may initiate an offering or sale of all or part of such Registrable Securities (a "Shelf Take-Down"), in which case the provisions of this Section 2.2 shall apply. Notwithstanding the foregoing:

(i) any such Shelf Holder may initiate an unlimited number of Non-Marketed Shelf Take-Downs pursuant to Section 2.2(d) below; and

(ii) any such Shelf Holder may initiate (together with other co-initiating Shelf Holders) no more than four Underwritten Offerings (including any block trade) pursuant to Section 2.2(c) below during any 12-month period (and no more than one such Underwritten Offering in any 90-day period); provided, that, in each case, the Registrable Securities proposed to be sold by the initiating Shelf Holder (or, if applicable, together with other co-initiating Shelf Holders) shall be required to have a reasonably anticipated aggregate offering price of at least $20.0 million (before deduction of underwriting discounts and commissions).

(c) Underwritten Shelf Take-Downs.

(i) Subject to Section 2.2(b), if a Shelf Holder so elects in a written request delivered to the Company (an "Underwritten Shelf Take-Down Notice"), a Shelf Take-Down may be in the form of an Underwritten Offering (an "Underwritten Shelf Take-Down") and, if necessary, the Company shall use its reasonable best efforts to file and effect an amendment or supplement to its Shelf Registration Statement or a new Shelf Registration Statement for such purpose as soon as practicable and, in any event, within 30 days of such request. Such initiating Shelf Holder shall indicate in such Underwritten Shelf Take-Down Notice the number of Registrable Securities of such Shelf Holder to be included in such Underwritten Shelf Take-Down and whether it intends for such Underwritten Shelf Take-Down to involve a customary "roadshow" (including an "electronic roadshow") or other marketing effort by the underwriters (a "Marketed Underwritten Shelf Take-Down").

(ii) Promptly upon delivery of an Underwritten Shelf Take-Down Notice with respect to a Marketed Underwritten Shelf Take-Down (but in no event more than 10 days prior to the expected date of such Marketed Underwritten Shelf Take-Down), the Company shall promptly deliver a written notice of such Marketed Underwritten Shelf Take-Down to all Shelf Holders and, in each case, subject to Section 2.5(b) and Section 2.7, the Company shall include in such Marketed Underwritten Shelf Take-Down all such Registrable Securities of such Shelf Holders for which the Company has received written requests, which requests must specify the aggregate amount of such Registrable Securities of such Holder to be offered and sold pursuant to such Marketed Underwritten Shelf Take-Down, at least three (3) Business Days prior to the expected date of such Marketed Underwritten Shelf Take-Down.

(iii) Subject to Section 2.2(b), if a Shelf Holder desires to effect an Underwritten Shelf Take-Down that is not a Marketed Underwritten Shelf Take-Down, the Shelf Holder initiating such Shelf Take-Down shall provide written notice (a "Shelf Take-Down Notice") of such Shelf Take-Down to the other Shelf Holders as far in advance of the completion of such Shelf Take-Down as shall be reasonably practicable in light of the circumstances applicable to such Shelf Take-Down, which Shelf Take-Down Notice shall set forth (A) the total number of Registrable Securities expected to be offered and sold in such Shelf Take-Down, (B) the expected plan of distribution of such Shelf Take-Down and (C) an invitation to the other Shelf Holders to elect to include in the Shelf Take-Down the Registrable Securities held by such other Shelf Holders (but

subject to Section 2.5(b) and Section 2.7) and (D) the action or actions required (including the timing thereof) in connection with such Shelf Take-Down with respect to the other Shelf Holders if any such Shelf Holder elects to exercise such right.

(iv) Upon delivery of a Shelf Take-Down Notice, the other Shelf Holders may elect to sell Registrable Securities in such Shelf Take-Down, at the same price per Registrable Security and pursuant to the same terms and conditions with respect to payment for the Registrable Securities as agreed to by the initiating Shelf Holder (and, if applicable, co-initiating Shelf Holders), by sending an irrevocable written notice to the initiating Shelf Holder, indicating its election to participate in the Shelf Take-Down and the total number of its Registrable Securities to include in the Shelf Take-Down (but, in all cases, subject to Section 2.5(b) and Section 2.7).

(v) Notwithstanding the delivery of any Underwritten Shelf Take-Down Notice, all determinations as to whether to complete any Underwritten Shelf Take-Down and as to the timing, manner, price and other terms of any Underwritten Shelf Take-Down shall be at the discretion of the Shelf Holder (or, if there are co-initiating Shelf Holders, the Holders of a majority of the Registrable Securities under such Underwritten Shelf Take-Down Notice) initiating the Underwritten Shelf Take-Down.

(d) Non-Marketed Shelf Take-Downs. If a Shelf Holder desires to effect a Shelf Take-Down that does not constitute an Underwritten Shelf Take-Down (a "Non-Marketed Shelf Take-Down") and if such Non-Marketed Shelf Take-Down requires reasonable actions to be taken by the Company, such Shelf Holder shall so indicate in a written request delivered to the Company no later than three (3) Business Days prior to the expected date of such Non-Marketed Shelf Take-Down (or such shorter period as the Company may agree), which request shall include (i) the aggregate number and class or classes of Registrable Securities expected to be offered and sold in such Non-Marketed Shelf Take-Down, (ii) the expected plan of distribution of such Non-Marketed Shelf Take-Down and (iii) the action or actions required (including the timing thereof) in connection with such Non-Marketed Shelf Take-Down, and, if necessary, the Company shall use its commercially reasonable efforts to file and effect an amendment or supplement to its Shelf Registration Statement for such purpose as soon as practicable to the extent permitted by the rules and regulations promulgated by the Commission. For the avoidance of doubt, no such notice shall be required if no actions are required to be taken by the Company other than in respect of a customary legal opinion permitting resale of transfer restricted securities, and the Company shall use its reasonable best efforts to ensure that upon the sale of Common Shares pursuant to an effective Shelf Registration Statement a customary legal opinion is promptly issued to the Company's transfer agent permitting the removal of legends from such Common Shares subject to the delivery of customary representation letters of selling Holders and/or brokers to the Company, the continuing effectiveness of the Shelf Registration Statement and satisfaction of customary procedures necessary to allow such transfer agent to remove such legends in connection with a sale pursuant to the Shelf Registration Statement.

(e) Continued Effectiveness. The Company shall use its reasonable best efforts to keep the Shelf Registration Statement filed pursuant to Section 2.2(a) hereof continuously effective under the Securities Act in order to permit the Prospectus forming a part thereof to be usable by a Shelf Holder until the earlier of (i) the date as of which all Registrable Securities registered by such Shelf Registration Statement have been sold and (ii) such shorter period, but not less than two years after the Shelf Registration Statement shall have become effective, as Shelf Holders holding a majority of the Registrable Securities may reasonably determine.

Section 1.3 Deferral or Suspension of Registration. If (a) the Company receives a Demand Notice, a request to file (or confidentially submit) a Shelf Registration Statement, or a written request from a Shelf Holder for a Shelf Take-Down and the Board of Directors, in its good faith judgment after consultation with outside legal counsel of the Company, determines that it would be materially adverse to the Company for such Registration Statement to be filed (or confidentially submitted) or declared effective on or before the date such filing or effectiveness would otherwise be required hereunder, or for such Registration Statement or Prospectus included therein to be used to sell Common Shares or for such Shelf Take-Down to be effected, because such action would: (i) materially interfere with a significant acquisition, corporate reorganization or other similar transaction involving the Company; (ii) based on the advice of the Company's outside counsel, require disclosure of material non-public information that the Company has a bona fide business purpose for preserving as confidential, provided, that, the exception in clause (ii) shall continue to apply only during the time in which such business purpose is continuing and such material non-public information has not been disclosed and remains material; or (iii) render the Company unable to comply with requirements under the Securities Act or the Exchange Act, or (b) the Company is subject to a Commission stop order suspending the effectiveness of any Registration Statement or the initiation of proceedings with respect to such Registration Statement under Section 8(d) or 8(e) of the Securities Act, then the Company shall have the right to defer such filing (but not the preparation), initial effectiveness or continued use of a Registration Statement and the Prospectus included therein for a period of not more than 45 days (or such longer period as the Demand Holder Majority or Shelf Holders holding a majority of the Registrable Securities, as applicable, may determine). If the Company shall so postpone the filing or initial effectiveness of a Registration Statement with respect to a Demand Notice and if the Demand Holder Majority within 30 days after receipt of the notice of postponement advises the Company in writing that it has determined to withdraw such Demand Notice, then such Demand Registration shall be deemed to be withdrawn. Unless consented to in writing by the Holders, the Company shall not use the deferral or suspension rights provided under this Section 2.3 more than twice in any 12-month period or for more than 90 calendar days in the aggregate, in each case, in any 12-month period. In the event of any deferral or suspension pursuant to this Section 2.3, the Company shall (i) use its reasonable best efforts to keep the Demand Holder Group or Shelf Holders, as applicable, apprised of the estimated length of the anticipated delay; and (ii) notify the Demand Holder Group or Shelf Holders, as applicable, promptly upon termination of the deferral or suspension. After the expiration of the deferral or suspension period and without any further request from the Demand Holder Majority or Shelf Holders, as applicable, to the extent such Demand Holder Majority has not withdrawn the Demand Notice, if applicable, the Company shall as promptly as reasonably practicable prepare and file (or confidentially submit) a Registration Statement or post-effective amendment or supplement to the applicable Registration Statement or document, or file any other required document, as applicable, and cause any such amendment to be declared effective so that, as thereafter delivered to purchasers of the Registrable Securities included therein, the Prospectus will not include a material misstatement or omission and will be effective and useable for the sale of Registrable Securities.

Section 1.4 Effective Registration Statement. A registration requested pursuant to this Article II shall not be deemed to have been effected:

(a) unless a registration statement with respect thereto has been declared effective by the Commission and remains effective in compliance with the provisions of the Securities Act and the laws of any U.S. state or other jurisdiction applicable to the disposition of Registrable Securities covered by such registration statement for (x) not less than 180 days (or such shorter period as will terminate when all of such Registrable Securities shall have been disposed of in accordance with such registration statement) or, if such registration statement relates to an underwritten offering, such longer period as, in the opinion of external counsel for the Company, a prospectus is required by law to be delivered in connection with sales of

Registrable Securities by an underwriter or dealer or (y) in respect of a Shelf Registration Statement filed pursuant to Section 2.2(a) hereof, for such period as is provided in Section 2.2(e) hereof;

(b) if, after it becomes effective, such registration is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental authority or court for any reason other than a violation of applicable law solely by any Selling Investor and has not thereafter become effective; or

(c) if, in the case of an Underwritten Offering, the conditions to closing specified in an underwriting agreement applicable to the Company are not satisfied or waived other than by reason of any breach or failure by any Selling Investor.

Section 1.5 Selection of Underwriters; Cutback.

(a) Selection of Underwriters. If a Demand Holder Group intends to offer and sell the Registrable Securities covered by its request under this Article II by means of an Underwritten Offering, such Demand Holder Group shall, in reasonable consultation with other participating Holders, and in the final determination of the Holders of a majority of the Registrable Securities under such Underwritten Offering, select the managing underwriter or underwriters to administer such offering, which managing underwriter or underwriters shall be investment banking firms of nationally recognized standing and shall be reasonably acceptable to the Company, such acceptance not to be unreasonably withheld, conditioned or delayed. If a Shelf Holder intends to offer and sell the Registrable Securities covered by its request under this Article II by means of an Underwritten Shelf Take-Down, the participating Shelf Holders shall mutually select, in the final determination of the Holders of a majority of the Registrable Securities under such Underwritten Offering, the managing underwriter or underwriters to administer such offering, which managing underwriter or underwriters shall be investment banking firms of nationally recognized standing and shall be reasonably acceptable to the Company, such acceptance not to be unreasonably withheld, conditioned or delayed.

(b) Underwriter's Cutback. Notwithstanding any other provision of this Article II or Section 3.1, if the managing underwriter or underwriters of an Underwritten Offering in connection with a Demand Registration or a Shelf Registration advise the Company in their good faith opinion that the inclusion of all such Registrable Securities proposed to be included in the Registration Statement or such Underwritten Offering would be reasonably likely to interfere with the successful marketing, including, but not limited to, the pricing, timing or distribution, of the Registrable Securities to be offered thereby or in such Underwritten Offering, and no Holder has delivered a Piggyback Notice with respect to such Underwritten Offering, then the number of Common Shares proposed to be included in such Registration Statement or Underwritten Offering shall be allocated among the Company, the Selling Investors and all other Persons selling Common Shares in such Underwritten Offering in the following order:

(i) *first*, the Registrable Securities of the class or classes proposed to be registered held by the Holder or Holders that initiated (or co-initiated) such Demand Registration, Shelf Registration or Underwritten Offering and the Registrable Securities of the same class or classes (or convertible at the Holder's option into such class or classes) held by other Holders requested to be included in such Demand Registration, Shelf Registration or Underwritten Offering (*pro rata* among the respective Holders of such Registrable Securities in proportion, as nearly as practicable, to the amounts of Registrable Securities requested to be included in such registration by each such Holder at the time of such Demand Registration, Shelf Registration or Underwritten Offering);

(ii) *second,* all other securities of the same class or classes (or convertible at the holder's option into such class or classes) requested to be included in such Demand Registration, Shelf Registration or Underwritten Offering other than securities to be sold by the Company; and

(iii) *third*, the securities of the same class or classes to be sold by the Company.

No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration or offering. If the underwriter has not limited the number of Registrable Securities to be underwritten, the Company may include securities for its own account (or for the account of any other Persons) in such registration if the underwriter so agrees and if the number of Registrable Securities would not thereby be limited.

Section 1.6 Lock-up.

(a) If requested by the managing underwriters in connection with any Underwritten Offering, each Holder (i) who beneficially owns 10% or more of the issued and outstanding Common Shares at the time of such Underwritten Offering or (ii) who is a natural person and serving as a director or executive officer of the Company shall agree to be bound by customary lock-up agreements providing that such Holder shall not, directly or indirectly, effect any Transfer (including sales pursuant to Rule 144) of any such Common Shares without prior written consent from the underwriters managing such Underwritten Offering during a period beginning on the date of launch of such Underwritten Offering and ending up to 90 days from and including the date of pricing or such shorter period as reasonably requested by the underwriters managing such Underwritten Offering (the "Lock-Up Period"); provided, that, (A) the foregoing shall not apply to any Common Shares that are offered for sale as part of such Underwritten Offering, (B) such Lock-Up Period shall be no longer than and on substantially the same terms as the lock-up period applicable to the Company and the executive officers and directors of the Company, (C) such Lock-Up Period shall not commence unless the Company notifies the Holders in writing prior to the commencement of the Lock-Up Period and (D) such Lock-Up Period shall include customary carve-outs including, but not limited to, those specified in Section 2.6(b), below. Each such Holder agrees to execute a customary lock-up agreement in favor of the underwriters to such effect.

(b) Nothing in Section 2.6(a) shall prevent: (i) any Holder that is a partnership, limited liability company or corporation from (A) making a distribution of Common Shares to the partners, members or shareholders thereof or (B) Transferring Common Shares to a Related Fund or an Affiliate of such Holder; (ii) any Holder who is an individual from Transferring Common Shares to (A) an individual by will or the laws of descent or distribution or by gift without consideration of any kind or (B) a trust or estate planning-related entity for the sole benefit of such Holder or a lineal descendant or antecedent or spouse; (iii) any Holder from (A) pledging, hypothecating or otherwise granting a security interest in Common Shares or securities convertible into or exchangeable for Common Shares to one or more lending institutions as collateral or security for any loan, advance or extension of credit and any transfer upon foreclosure upon such Common Shares or such securities or (B) Transferring Common Shares pursuant to a final non-appealable order of a court or regulatory agency or (iv) any Holder from Transferring Common Shares in a manner that was permitted under, but subject to the conditions described in, the lock-ups entered into in connection with the Company's initial public offering; provided, that, in the case of clauses (i), (ii), (iii) and (iv), such Transfer is otherwise in compliance with applicable securities laws; provided, further, that, in the case of subclause (B) of clause (i), clause (ii) and, if applicable, clause (iv), each such Transferee agrees in writing to become subject to the terms of this Agreement by executing an Adoption Agreement and agrees to be bound by the applicable underwriter lock-up.

Section 1.7 Participation in Underwritten Offering; Information by Holder. No Holder may participate in an Underwritten Offering hereunder unless such Holder (a) agrees to sell such Holder's Common Shares on the basis provided in any underwriting arrangements, and in accordance with the terms and provisions of this Agreement, including any lock-up arrangements, and (b) completes and executes all questionnaires, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements. In addition, the Holders shall furnish to the Company such information regarding such Holder or Holders and the distribution proposed by such Holders, as applicable, as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Article II. Nothing in this Section 2.7 shall be construed to create any additional rights regarding the registration of Common Shares in any Person otherwise than as set forth herein or require any Holder to make any representations, warranties or agreements in respect of or relating to the Company. The Company will use its reasonable best efforts to ensure that underwriting arrangements shall be in customary form, no underwriter shall require any Holder to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and such Holder's intended method of distribution, any representation required to be made by such Holder by law and any other representations, warranties and agreements customarily made by selling securityholders registering securities in similar circumstances to the extent the same do not relate to the Company and if, despite the Company's reasonable best efforts, an underwriter requires any Holder of to make additional representations or warranties to or agreements with such underwriter, such Holder may elect not to participate in such Underwritten Offering and shall not be bound by Section 2.6(b) hereof.

Section 1.8 Registration Expenses. All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with any stock exchange, the Commission and FINRA (including, if applicable, the fees and expenses of any "qualified independent underwriter" and its counsel as may be required by the rules and regulations of FINRA), (ii) all fees and expenses of compliance with state securities or blue sky laws (including fees and disbursements of counsel for the underwriters or Selling Investors in connection with blue sky qualifications of the Common Shares and determination of their eligibility for investment under the laws of such jurisdictions as the managing underwriters or the Demand Holders Majority may designate), (iii) all printing and related messenger and delivery expenses (including expenses of printing certificates for the Common Shares in a form eligible for deposit with The Depository Trust Company and of printing prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company and its Subsidiaries (including the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (v) all fees and expenses incurred in connection with the listing of the Common Shares on any securities exchange and all rating agency fees, (vi) all reasonable fees and documented out-of-pocket disbursements of a single Selling Investors' Counsel selected by the Demand Holder Majority or, if no Demand Holders' Registrable Securities are included in a Piggyback Registration or Shelf Registration, a single legal counsel chosen by the Holders of a majority of the Registrable Securities included in such Piggyback Registration or Shelf Registration, as applicable, (vii) all fees and documented out-of-pocket disbursements of underwriters customarily paid by the issuer or sellers of securities, including expenses of any special experts retained in connection with the requested registration (excluding underwriting discounts and commissions and transfer taxes, if any, and fees and disbursements of counsel to underwriters (other than such fees and disbursements incurred in connection with any registration or qualification of Common Shares under the securities or blue sky laws of any state)), (viii) Securities Act liability insurance or similar insurance if the Company or the underwriters so require in accordance with then-customary underwriting practice, and (ix) fees and expenses of other Persons retained by the Company, and any other reasonable expenses customarily paid by the issuers of securities, will be borne by the

Company, regardless of whether the Registration Statement becomes effective (or such offering is completed) and whether or not all or any portion of the Registrable Securities originally requested to be included in such registration are ultimately included in such registration; provided, however, that (x) any underwriting discounts, commissions or fees in connection with the sale of the Registrable Securities will be borne by the Holders pro rata on the basis of the number of Common Shares so registered and sold, (y) transfer taxes with respect to the sale of Registrable Securities will be borne by the Holder of such Registrable Securities and (z) the fees and expenses of any accountants or other persons retained or employed by any Holder will be borne by such Holder.

Article III

PIGGYBACK REGISTRATION

Section 1.1 Notices.

(a) If the Company at any time proposes for any reason to register the sale of a class or classes of Common Shares or other equity securities of the Company under the Securities Act (other than a registration on Form F-4 or Form S-8, or any successor of either such form, or a registration relating solely to the offer and sale to the Company's directors or employees pursuant to any employee share plan or other employee benefit plan or arrangement) whether or not Common Shares or other equity securities of the Company are to be sold by the Company or otherwise, and whether or not in connection with any Demand Registration pursuant to Section 2.1, any Shelf Registration pursuant to Section 2.2 or any other agreement (such registration, a "Piggyback Registration"), the Company shall give to each Holder holding Registrable Securities of the same class or classes proposed to be registered (or convertible at the Holder's option into such class or classes) eligible to participate in such Piggyback Registration written notice of its intention to so register the Common Shares or other equity securities of the Company (i) in the case of a "bought deal," "registered direct offering" or "overnight transaction" (a "Bought Deal"), at least two (2) Business Days, or (ii) otherwise at least five (5) Business Days (or such shorter period as reasonably practical) prior to the expected date of filing of such Registration Statement or amendment thereto in which the Company first intends to identify the selling shareholders and the number of Registrable Securities to be sold (each such notice, an "Initial Notice"). The Company shall, subject to the provisions of Section 3.2 and Section 3.3 below, include in such Piggyback Registration on the same terms and conditions as the securities otherwise being sold, all Registrable Securities of the same class or classes as the Common Shares or other equity securities of the Company proposed to be registered (or convertible at the Holder's option into such class or classes) with respect to which the Company has received written requests from Holders for inclusion therein within the time period specified by the Company in the applicable Initial Notice, which time period shall be (x) in the case of a Bought Deal, not less than two (2) Business Days, or (y) otherwise, not less than five (5) Business Days after sending the applicable Initial Notice (each such written request, a "Piggyback Notice"), which Piggyback Notice shall specify the number of Common Shares proposed to be included in the Piggyback Registration.

(b) If a Holder does not deliver a Piggyback Notice within the period specified in Section 3.1(a), such Holder shall be deemed to have irrevocably waived any and all rights under this Article III with respect to such registration (but not with respect to future registrations in accordance with this Article III). For the avoidance of doubt, no Piggyback Registration shall count towards the number of Underwritten Shelf Take-Downs that a Shelf Holder is entitled to make pursuant to Section 2.2 hereof.

(c) No registration effected under this Section 3.1 shall relieve the Company of its obligation to effect any registration upon request under Section 2.1 or Section 2.2

hereof, and no registration effected pursuant to this Section 3.1 shall be deemed to have been effected pursuant to Section 2.1 or Section 2.2 hereof. The Initial Notice, the Piggyback Notice and the contents thereof shall be kept confidential until the public filing of the Registration Statement.

Section 1.2 Underwriter's Cutback. If the managing underwriter of an Underwritten Offering (including an offering pursuant to Section 2.1 or Section 2.2) that includes a Piggyback Registration advises the Company that it is the managing underwriter's good faith opinion that the inclusion of all such Registrable Securities proposed to be included in the Registration Statement for such Underwritten Offering would be reasonably likely to interfere with the successful marketing, including, but not limited to, the pricing, timing or distribution, of the Registrable Securities to be offered thereby, then the number of Common Shares proposed to be included in such Underwritten Offering shall be allocated among the Company, the Selling Investors and all other Persons selling Common Shares in such Underwritten Offering in the following order:

(a) If the Piggyback Registration referred to in Section 3.1 is initiated as an underwritten primary registration on behalf of the Company, then, with respect to each class proposed to be registered:

(i) *first*, the Common Shares or other equity securities held by the Company of the class or classes proposed to be registered that the Company proposes to sell, as applicable;

(ii) *second*, all Registrable Securities of the same class or classes (or convertible at the Holder's option into such class or classes) held by Holders requested to be included in such Piggyback Registration (*pro rata* among the respective Holders of such Registrable Securities in proportion, as nearly as practicable, to the amounts of Registrable Securities requested to be included in such registration by each such Holder at the time of such Piggyback Registration); and

(iii) *third*, all other securities of the same class or classes (or convertible at the Holder's option into such class or classes) requested to be included in such Piggyback Registration.

(b) if the Piggyback Registration referred to in Section 3.1 is an underwritten secondary registration on behalf of any Holder, then, with respect to each class proposed to be registered:

(i) *first*, the Registrable Securities of the class or classes proposed to be registered held by such Holder and the Registrable Securities of the same class or classes (or convertible at the Holder's option into such class or classes) held by other Holders requested to be included in such Piggyback Registration (*pro rata* among the respective Holders of such Registrable Securities in proportion, as nearly as practicable, to the amounts of Registrable Securities requested to be included in such registration by each such Holder at the time of such Piggyback Registration);

(ii) *second,* all other securities of the same class or classes (or convertible at the holder's option into such class or classes) requested to be included in such Piggyback Registration other than Common Shares to be sold by the Company; and

(iii) *third*, the Common Shares or other equity securities of the Company of the same class or classes to be sold by the Company.

(c) if the Piggyback Registration referred to in Section 3.1 is an underwritten secondary registration on behalf of any holder of Common Shares other than a Holder, then, with respect to each class proposed to be registered:

(i) *first*, the Registrable Securities of the class or classes proposed to be registered held by such holder;

(ii) *second*, the Registrable Securities of the same class or classes (or convertible at the Holder's option into such class or classes) held by Holders requested to be included in such Piggyback Registration (*pro rata* among the respective Holders of such Registrable Securities in proportion, as nearly as practicable, to the amounts of Registrable Securities requested to be included in such registration by each such Holder at the time of such Piggyback Registration);

(iii) *third,* all other securities of the same class or classes (or convertible at the holder's option into such class or classes) requested to be included in such Piggyback Registration other than Common Shares to be sold by the Company; and

(iv) *fourth*, the Common Shares or other equity securities of the Company of the same class or classes to be sold by the Company.

Section 1.3 Company Control. Except for a Registration Statement being filed in connection with the exercise of a Demand Right or a Shelf Registration, the Company may decline to file a Registration Statement after an Initial Notice has been given or after receipt by the Company of a Piggyback Notice, and the Company may withdraw a Registration Statement after filing and after such Initial Notice or Piggyback Notice, but prior to the effectiveness of the Registration Statement, provided, that, (i) the Company shall promptly notify the Selling Investors in writing of any such action and (ii) nothing in this Section 3.3 shall prejudice the right of any Demand Holder Group to immediately request that such registration be effected as a registration under Section 2.1 or Section 2.2 to the extent permitted thereunder.

Section 1.4 Selection of Underwriters. If the Company intends to offer and sell Common Shares or other equity securities of the Company by means of an Underwritten Offering (other than an offering pursuant to Section 2.1 or Section 2.2), the Company shall select the managing underwriter or underwriters to administer such Underwritten Offering, which managing underwriter or underwriters shall be investment banking firms of nationally recognized standing.

Section 1.5 Withdrawal of Registration. Any Holder shall have the right to withdraw all or a part of its Piggyback Notice by giving written notice to the Company of such withdrawal at any time prior to the execution of an underwriting agreement.

Article IV

REGISTRATION PROCEDURES

Section 1.1 Registration Procedures. If and whenever the Company is under an obligation pursuant to the provisions of this Agreement to use its reasonable best efforts to effect the registration of any Registrable Securities, the Company shall, as expeditiously as practicable:

(a) in the case of Registrable Securities, use its reasonable best efforts to cause a Registration Statement that registers such Registrable Securities to become and remain effective for a period of 180 days or, if earlier, until all of such Registrable Securities covered thereby have been disposed of; provided, that, in the case of any registration of Registrable

Securities on a Shelf Registration Statement which are intended to be offered on a continuous or delayed basis, such 180-day period shall be extended, if necessary or requested by the Demand Holder Group or contemplated by Section 2.2(e), to keep the registration statement continuously effective, supplemented and amended to the extent necessary to ensure that it is available for sales of such Registrable Securities, and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as announced from time to time, until the earlier of when (i) the Holders have sold all of such Registrable Securities, (ii) all of such Registrable Securities have become eligible for immediate sale pursuant to Rule 144 under the Securities Act by the Holder thereof without restriction by the manner of sale, volume and other limitations under such rule or (iii) the Company is no longer required to keep the registration statement continuously effective pursuant to Section 2.2(e) of this Agreement;

(b) furnish to each Selling Investor, at least ten (10) Business Days before filing a Registration Statement, or such shorter period as reasonably practical, copies of such Registration Statement or any amendments or supplements thereto, which documents shall be subject to the review, comment and approval by one lead counsel (and any reasonably necessary local counsel) selected by the Holders who beneficially own a majority of such Registrable Securities included on such Registration Statement, and who shall represent all Selling Investors as a group (the "Selling Investors' Counsel") (it being understood that such ten (10) Business Day period need not apply to successive drafts of the same document proposed to be filed so long as such successive drafts are supplied to the Selling Investors' Counsel in advance of the proposed filing by a period of time that is customary and reasonable under the circumstances);

(c) furnish to each Selling Investor and each underwriter, if any, such number of copies of final conformed versions of the applicable registration statement and of each amendment and supplement thereto (in each case including all exhibits and any documents incorporated by reference) reasonably requested by such Selling Investor or underwriter in writing;

(d) in the case of Registrable Securities, prepare and file with the Commission such amendments, including post-effective amendments, and supplements to such Registration Statement and the applicable Prospectus or Prospectus supplement, including any Free Writing Prospectus as defined in Rule 405 under the Securities Act, used in connection therewith as may be (i) reasonably requested by any Holder (to the extent such request relates to information relating to such Holder), or (ii) necessary to keep such Registration Statement effective for at least the period specified in Section 4.1(a) or elsewhere in this Agreement and to comply with the provisions of this Agreement and the Securities Act with respect to the sale or other disposition of such Registrable Securities, and furnish to each Selling Investor and to the managing underwriter(s), if any, within a reasonable period of time prior to the filing thereof a copy of any amendment or supplement to such Registration Statement or Prospectus; provided, however, that, with respect to each Free Writing Prospectus or other materials to be delivered to purchasers at the time of sale of the Registrable Securities, the Company shall (i) ensure that no Registrable Securities are sold "by means of" (as defined in Rule 159A(b) under the Securities Act) such Free Writing Prospectus or other materials without the prior written consent of the sellers of the Registrable Securities, which Free Writing Prospectus or other materials shall be subject to the review of counsel to such sellers and (ii) make all required filings of all Free Writing Prospectuses or other materials with the Commission as are required;

(e) notify in writing each Holder promptly (i) of the receipt by the Company of any notification with respect to any comments by the Commission with respect to such Registration Statement or any amendment or supplement thereto or any request by the Commission for the amending or supplementing thereof or for additional information with

respect thereto, (ii) of the receipt by the Company of any notification with respect to the issuance by the Commission of any stop order suspending the effectiveness of such Registration Statement or any amendment or supplement thereto or the initiation or threatening of any proceeding for that purpose and (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification of such Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purposes and, in any such case as promptly as reasonably practicable thereafter, prepare and file an amendment or supplement to such Registration Statement or Prospectus which will correct such statement or omission or effect such compliance;

(f) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as the Holders reasonably request and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holders to consummate their disposition in such jurisdictions; provided, however, that the Company will not be required to qualify generally to do business, subject itself to general taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for this Section 4.1(f);

(g) furnish to each Selling Investor such number of copies of a summary Prospectus or other prospectus, including a preliminary prospectus and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents as such Selling Investors or any underwriter may reasonably request in writing;

(h) notify on a timely basis each Holder of such Registrable Securities at any time when a prospectus relating to such Registrable Securities is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing and, at the request of such Holder, as soon as practicable prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the offeree of such securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(i) make available for inspection by the Selling Investors, the Selling Investors' Counsel or any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such Selling Investor or underwriter (collectively, the "Inspectors"), all pertinent financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records"), as shall be necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information (together with the Records, the "Information") reasonably requested by any such Inspector in connection with such Registration Statement and request that the independent public accountants who have certified the Company's financial statements make themselves available, at reasonable times and for reasonable periods, to discuss the business of the Company. Any of the Information which the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, shall not be disclosed by the Inspectors unless (i) the disclosure of such Information is necessary to avoid or correct a misstatement or omission in the Registration Statement, (ii) the release of such Information is requested or required pursuant to a subpoena, order from a court of competent jurisdiction or other interrogatory by a governmental entity or similar process; (iii) such Information has been made generally available to the public; or

(iv) such Information is or becomes available to such Inspector on a non-confidential basis other than through the breach of an obligation of confidentiality (contractual or otherwise). The Holder(s) of Registrable Securities agree that they will, upon learning that disclosure of such Information is sought in a court of competent jurisdiction or by another governmental entity, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Information deemed confidential;

(j) in the case of an Underwritten Offering, deliver to the underwriters of such Underwritten Offering a "comfort" letter in customary form and at customary times and covering matters of the type customarily covered by such comfort letters from its independent certified public accountants;

(k) in the case of an Underwritten Offering, deliver to the underwriters of such Underwritten Offering a written and signed legal opinion or opinions in customary form from its outside or in-house legal counsel dated the closing date of the Underwritten Offering;

(l) provide a transfer agent and registrar (which may be the same entity and which may be the Company) for such Registrable Securities and deliver to such transfer agent and registrar such customary forms, legal opinions from its outside or in-house legal counsel, agreements and other documentation as such transfer agent and/or registrar so request;

(m) issue to any underwriter to which any Selling Investors may sell Registrable Securities in such offering certificates evidencing such Registrable Securities;

(n) use its reasonable best efforts to cause such Registrable Securities to be listed on any national securities exchange on which any Common Shares are listed or, if the Common Shares are not listed on a national securities exchange, upon the request of any Holder of the Registrable Securities included in such registration, use its reasonable best efforts to qualify such Registrable Securities for inclusion on such national securities exchange as the Company shall designate;

(o) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission and make available to its security holders, no later than 60 days after the end of the 12-month period beginning with the first day of the Company's first full fiscal quarter after the effective date of such Registration Statement, earnings statements (which need not be audited) covering a period of 12 months beginning within three months after the effective date of the Registration Statement, which earnings statements shall satisfy the provisions of Section 11(a) of the Securities Act or any successor rule thereto;

(p) notify the Holders and the lead underwriter or underwriters, if any, and (if requested) confirm such advice in writing, as promptly as reasonably practicable after notice thereof is received by the Company when the applicable Registration Statement or any amendment thereto has been filed or becomes effective and when the applicable Prospectus or any amendment or supplement thereto has been filed;

(q) use its reasonable best efforts to prevent the entry of, and use its reasonable best efforts to obtain as promptly as reasonably practicable the withdrawal of, any stop order with respect to the applicable Registration Statement or other order suspending the use of any preliminary or final Prospectus;

(r) promptly incorporate in a prospectus supplement or post-effective amendment to the applicable Registration Statement such information as the lead underwriter or

underwriters, if any, and each Selling Investor agree should be included therein relating to the plan of distribution with respect to such class of Registrable Securities, which may include disposition of Registrable Securities by all lawful means, including firm-commitment underwritten public offerings, block trades, agented transactions, sales directly into the market, purchases or sales by brokers, derivative transactions, short sales, stock loan or stock pledge transactions and sales not involving a public offering; and make all required filings of such prospectus supplement or post-effective amendment as promptly as reasonably practicable after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(s) cooperate with each Holder and each underwriter or agent, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(t) provide a CUSIP number or numbers for all such shares, in each case not later than the effective date of the applicable registration statement;

(u) to the extent reasonably requested by the lead or managing underwriters in connection with an Underwritten Offering (including an Underwritten Offering pursuant to Section 2.1 or Section 2.2), send appropriate officers of the Company to attend any "roadshows" scheduled in connection with any such Underwritten Offering, with all out of pocket costs and expenses incurred by the Company or such officers in connection with such attendance to be paid by the Company;

(v) enter into such agreements (including an underwriting agreement in customary form) and take such other actions as the Selling Investor or Selling Investors, as the case may be, owning at least a majority of the Registrable Securities covered by any applicable Registration Statement shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including customary indemnification and contribution to the effect and to the extent provided in Article V hereof, provided, however, that if a Holder becomes a party to any underwriting agreement or related documents, the Holder shall not be required in any such underwriting agreement or related documents to make any representations or warranties to or agreements with the Company or the underwriters other than customary representations, warranties or agreements regarding such Holder's title to Registrable Securities and any written information provided by the Holder to the Company expressly for inclusion in the related Registration Statement, and the liability of any Holder under the underwriting agreement shall be several and not joint and in no event shall the liability of any Holder under the underwriting agreement be greater in amount than the dollar amount of the proceeds received by such Holder under the sale of the Registrable Securities pursuant to such underwriting agreement (net of underwriting discounts and commissions); and

(w) subject to all the other provisions of this Agreement, use its reasonable best efforts to take all other steps necessary to effect the registration, marketing and sale of such Registrable Securities contemplated hereby.

Section 1.2 Holder Undertakings.

(a) Free Writing Prospectuses. Each Holder represents that it has not prepared or had prepared on its behalf or used or referred to, and agrees that it will not prepare or have prepared on its behalf or used or refer to, any Free Writing Prospectus, and has not distributed and will not distribute any written materials in connection with the offer or sale of Registrable Securities without the prior written consent of the Company and, in connection with any underwritten Public Offering, the underwriters. Any such Free Writing Prospectus consented to by the Company and the underwriters, as the case may be, is hereinafter referred to as a

"Permitted Free Writing Prospectus." The Company represents and agrees that it has treated and will treat, as the case may be, each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping.

(b) Information for Inclusion. Each selling Holder that has requested or will request inclusion of its Registrable Securities in any Registration Statement shall furnish to the Company such information regarding such Holder and its plan and method of distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing to satisfy the form requirements of the applicable Registration Statement pursuant to the rules and regulations of the Commission. The Company may refuse to proceed with the registration of such Holder's Registrable Securities if such Holder unreasonably fails to furnish such information within a reasonable time after receiving such request.

(c) Underwritten Public Offering Participation. No Person may participate in any underwritten Public Offering hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements in customary form entered into pursuant to this Agreement and (ii) completes and executes all customary questionnaires, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

(d) Price and Underwriting Discounts. In the case of an underwritten Demand Registration requested by Holders pursuant to this Agreement, the price, underwriting discount and other financial terms of the related underwriting agreement for the Registrable Securities shall be determined by the Holders beneficially owning a majority of the Registrable Securities included in such underwritten Public Offering or otherwise as such Holders may agree amongst themselves.

(e) Notice Opt-In and Opt-Out. Notwithstanding anything to the contrary in this Agreement, until a Holder makes an affirmative written election (which may be done by checking the box on the applicable signature page hereto), the Company shall not deliver any notice or any information to such Holder that would reasonably be expected to constitute material non-public information ("MNPI"), including any applicable registration notices, or any other information under this Agreement. Upon receipt of a written election to receive such notices or information (an "Opt-In Election") the Company shall provide to the Holder all applicable notices or information pursuant to this Agreement from the date of such Opt-In Election. At any time following a Holder making an Opt-In Election, such Holder may also make a written election to no longer receive any such notices or information (an "Opt-Out Election"), which election shall cancel any previous Opt-In Election, and, following receipt of such Opt-Out Election, the Company shall not deliver any such notice or information to such Holder from the date of such Opt-Out Election. An Opt-Out Election may state a date on which it expires or, if no such date is specified, shall remain in effect indefinitely. A Holder who previously has given the Company an Opt-In Election or Opt- Out Election may revoke such election at any time, and there shall be no limit on the ability of a Holder to issue and revoke subsequent Opt-In Elections and Opt-Out Elections. Should any Holder have made an Opt-In Election and have received a notice or any information that would reasonably be expected to constitute MNPI, such Holder agrees that it shall treat such MNPI as confidential in accordance with procedures adopted by it in good faith to protect confidential information of third parties delivered to such Holder (the "Policies") and shall not disclose such MNPI, in each case, without the prior written consent of the Company until such time as such MNPI is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement; provided, that, a Holder may deliver or disclose MNPI (A) to its Related Persons and its and its Related Persons' directors, officers, employees, agents, external advisors or legal counsel (collectively, "Representatives"), but solely to the extent such disclosure reasonably

relates to its evaluation of exercise of its rights under this Agreement and the sale of any Registrable Securities in connection therewith, and such Representatives are subject to the Policies or agree to hold the MNPI confidential on terms substantially consistent with this Section 4.2(e); (B) when disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities; (C) when disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of any Registration Statement or the use of any Prospectus referred to in this Agreement); or (D) when such information becomes available to any such Person from a source other than the Company and such source is not bound by a confidentiality agreement. For the avoidance of doubt, notification by the Company pursuant to Section 2.2(a) of this Agreement shall not constitute MNPI for purposes of this Section 4.2(e).

Article V

INDEMNIFICATION

Section 1.1 Indemnification by the Company. The Company agrees to indemnify and hold harmless, to the full extent permitted by law, each Holder, its Affiliates and their respective officers, directors, managers, partners, members and representatives, and each of their respective successors and assigns, against any losses, claims, damages, liabilities and expenses caused by any violation by the Company of the Securities Act or the Exchange Act applicable to the Company and relating to action or inaction required of the Company in connection with the registration contemplated by a Registration Statement or any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus, or preliminary Prospectus or any amendment thereof or supplement thereto, or any other disclosure document (including reports and other documents filed under the Exchange Act and any document incorporated by reference therein) or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same was made in reliance on and in conformity with any information furnished in writing to the Company by such Holder expressly for use therein; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Registration Statement, Prospectus, or preliminary Prospectus or any amendment thereof or supplement thereto in reliance upon and in conformity with information furnished to the Company in writing by the Person asserting such loss, claim, damage, liability or expense specifically for use therein. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any such Person and shall survive the transfer of such securities. The Company will also indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) to the same extent as provided above with respect to the indemnification of the Holder, if requested.

Section 1.2 Indemnification by Selling Investors. Each Selling Investor agrees to indemnify and hold harmless, to the full extent permitted by law, the Company, the Company's Controlled Affiliates and its and their respective directors, managers, partners, members and representatives, and each of their respective successors and assigns, and each Person who controls the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) against any losses, claims, damages or liabilities and expenses caused by any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus, or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, to the extent, but only to the extent, that such untrue statement or omission was made in reliance on and in conformity with any

information furnished in writing by such Selling Investor to the Company expressly for inclusion in such Registration Statement and has not been corrected in a subsequent writing prior to or concurrently with the sale of the Registrable Securities to the Person asserting such loss, claim, damage, liability or expense; provided, that, the obligation to indemnify shall be several, not joint and several, for each Selling Investor and in no event shall the liability of any Selling Investor hereunder be greater in amount than the dollar amount of the net proceeds received by such Selling Investor upon the sale of the Registrable Securities giving rise to such indemnification obligation.

Section 1.3 Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder will (i) give prompt (but in any event within 30 days after such Person has actual knowledge of the facts constituting the basis for indemnification) written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, however, that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent that it is materially prejudiced by reason of such delay or failure. Any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (a) the indemnifying party has agreed in writing to pay such fees or expenses, (b) the indemnifying party shall have failed to assume the defense of such claim within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person, (c) the indemnified party has reasonably concluded, based on the advice of counsel, that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party or (d) in the reasonable judgment of any such Person, based upon advice of counsel, a conflict of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if such Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld, conditioned or delayed). No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action or claim in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes (i) an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party and (iii) does not commit any indemnified party to take, or hold back from taking, any action. No indemnified party shall, without the written consent of the indemnifying party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder, and no indemnifying party shall be liable for any settlement or compromise of, or consent to the entry of judgment with respect to, any such action or claim effected without its consent, in each case which consent shall not be unreasonably withheld.

Section 1.4 Other Indemnification. Indemnification similar to that specified in this Article V (with appropriate modifications) shall be given by the Company and each Selling Investor with respect to any required registration or other qualification of Registrable Securities under Federal or state law or regulation of governmental authority other than the Securities Act.

Section 1.5 Contribution. If for any reason the indemnification provided for in Section 5.1 or Section 5.2 is unavailable to an indemnified party or insufficient to hold it harmless as contemplated by Section 5.1 and Section 5.2, then (i) the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnified party and the indemnifying party or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and such prospective sellers, on the other hand, from their sale of the Registrable Securities, provided that, no Selling Investor shall be required to contribute in an amount greater than the dollar amount of the net proceeds received by such Selling Investor with respect to the sale of the Registrable Securities giving rise to such indemnification obligation. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities, or expenses (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or, except as provided in Section 5.3, defending any such action or claim. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this Section 5.5 to contribute shall be several in proportion to the amount of Registrable Securities registered by them and not joint.

Article VI

EXCHANGE ACT COMPLIANCE

Section 1.1 Exchange Act Compliance. So long as the Company (a) has a class of securities registered under Section 12 or Section 15 of the Exchange Act and (b) files reports under Section 13 of the Exchange Act, then the Company shall take all actions reasonably necessary to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Section 4(a)(7), Rule 144 and Rule 144A under the Securities Act, as such rules may be amended from time to time or any similar rules or regulations adopted by the Commission, including, without limiting the generality of the foregoing, (i) making and keeping current public information available, as those terms are understood and defined in Rule 144 promulgated under the Securities Act, (ii) filing with the Commission in a timely manner all reports and other documents required of the Company under the Exchange Act, to the extent so required, and (iii) at the request of any Holder if such Holder proposes to sell securities in compliance with Section 4(a)(7), Rule 144 or Rule 144A, forthwith furnish to such Holder, as applicable, a written statement of compliance with the reporting requirements of the Commission as set forth in such rules and make available to such Holder such information as will enable the Holder to make sales pursuant to Section 4(a)(7), Rule 144 or Rule 144A.

Article VII

MISCELLANEOUS

Section 1.1 Severability. If any provision of this Agreement is adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 1.2 Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York irrespective of the choice of laws principles thereof. The parties agree that any legal action or proceeding regarding this Agreement shall be brought and determined exclusively in a state of federal court located within the State of New York. EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION PROCEEDING, CLAIM OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 1.3 Other Registration Rights. If the Company shall at any time hereafter provide to any holder of any securities of the Company rights with respect to the registration of such securities under the Securities Act, such rights shall not be in conflict with or adversely affect any of the rights provided to the Holders of Registrable Securities in, or conflict (in a manner that adversely affects Holders of Registrable Securities) with any other provisions included in, this Agreement.

Section 1.4 Successors and Assigns. Subject to Section 7.4, this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto, each of which, in the case of the Holders, shall agree to become subject to the terms of this Agreement by executing an Adoption Agreement and be bound to the same extent as the parties hereto. The Company may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of the Holders of a majority of the Registrable Securities. Subject to Section 2.1(a) and Section 2.2(a), any Holder may, at its election and at any time or from time to tim, assign its rights and delegate its duties hereunder, in whole or in part, to any Transferee of such Holder (each, an "Assignee"); provided, that no such assignment shall be binding upon or obligate the Company to any such Assignee unless and until such Assignee delivers the Company an Adoption Agreement. If a Holder assigns its rights under this Agreement in connection with the Transfer of less than all of its Registrable Securities, the Holder shall retain its rights under this Agreement with respect to its remaining Registrable Securities. If a Holder assigns its rights under this Agreement in connection with the Transfer of all of its Registrable Securities, the Holder shall have no further rights or obligations under this Agreement, except under Article V hereof in respect of offerings in which such Holder participated or registrations in which Registrable Securities held by such Holder were included. Any purported assignment in violation of this provision shall be null and *void ab initio*.

Section 1.5 Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if delivered in writing in person, by electronic mail or facsimile or sent by nationally-recognized overnight courier or first class registered or certified mail, return receipt requested, postage prepaid, addressed to such party at the address set forth below or at such other address as may hereafter be designated in writing by such party to the other parties. All such notices, requests, consents and other communications shall be delivered as follows:

(a) if to the Company, to:

Seadrill 2021 Limited
Par-la-Ville Place
Hamilton HM 08, Bermuda
Attention: Sandra Redding; Sarah French
Email: sandra.redding@seadrill.com; sarah.french@seadrill.com

and:

Kirkland & Ellis LLP
609 Main Street
Houston, TX 77002
Attention: Julian Seiguer
Email: julian.seiguer@kirkland.com

(b) if to a Holder, to set forth under such Holder's name in Schedule I attached hereto,

with a copy, in each case, (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP
767 5th Avenue, New York
NY 10153
Attention: Frank R. Adams
Email: Frank.Adams@weil.com

All such notices, requests, consents and other communications shall be deemed to have been received (i) in the case of personal delivery or delivery by facsimile or electronic mail, on the date of such delivery, (ii) in the case of dispatch by nationally recognized overnight courier, on the next Business Day following such dispatch and (iii) in the case of mailing, on the fifth (5th) Business Day after the posting thereof.

Section 1.6 Headings. The headings contained in this Agreement are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

Section 1.7 Additional Parties. Additional parties to this Agreement shall only include each Holder (a) who has executed an Adoption Agreement, in the form attached hereto as Exhibit A, or (b) who (i) is bound by and subject to the terms of this Agreement, and (ii) has adopted this Agreement with the same force and effect as if it were originally a party hereto.

Section 1.8 Adjustments. If, and as often as, there are any changes in the Common Shares or securities convertible into or exchangeable into or exercisable for Common Shares as a result of any reclassification, recapitalization, share split (including a reverse share split), bonus share issues, or subdivision or combination, exchange or readjustment of shares, or any share dividend or share distribution, merger, amalgamation or other similar transaction affecting such Common Shares or such securities, appropriate adjustment shall be made in the provisions of this Agreement, as may be required, so that the rights, privileges, duties and obligations hereunder shall continue with respect to such Common Shares or such securities as so changed.

Section 1.9 Entire Agreement. This Agreement and the other writings referred to herein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such subject matter.

Section 1.10 Counterparts; Facsimile or .pdf Signature. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or .pdf signature, which for the avoidance of doubt shall include DocuSign, and a facsimile or .pdf signature, which for the avoidance of doubt shall include DocuSign, shall constitute an original for all purposes.

Section 1.11 Amendment. Other than with respect to amendments to Schedule I attached hereto, which may be amended by the Company from time to time to reflect the Holders at such time, this Agreement may not be amended, modified or supplemented without the written consent of the majority of the Holders (as long as each owns Registrable Securities); provided, however, that, with respect to a particular Holder or group of Holders, any such amendment, supplement, modification or waiver that (a) would materially and adversely affect such Holder or group of Holders in any respect or (b) would disproportionately benefit any other Holder or group of Holders or confer any benefit on any other Holder or group of Holders to which such Holder of group of Holders would not be entitled, shall not be effective against such Holder or group of Holders unless approved in writing by such Holder or the Holders of a majority of the Registrable Securities held by such group of Holders, as the case may be.

Section 1.12 Extensions; Waivers. Any party may, for itself only, (a) extend the time for the performance of any of the obligations of any other party under this Agreement, (b) waive any inaccuracies in the representations and warranties of any other party contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions for the benefit of such party contained herein. Any extension or waiver pursuant to this Section 7.12 will be valid only if set forth in a writing signed by the party to be bound thereby. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent such occurrence. Neither the failure nor any delay on the part of any party to exercise any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of the same or of any other right or remedy.

Section 1.13 Further Assurances. Each of the parties hereto shall execute all such further instruments and documents and take all such further action as the Company may reasonably require in order to effectuate the terms and purposes of this Agreement.

Section 1.14 No Third-Party Beneficiaries. Except pursuant to Article V, this Agreement shall not confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns and other Persons expressly named herein.

Section 1.15 Interpretation; Construction. This Agreement has been freely and fairly negotiated among the parties. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Any reference to any law will be deemed to refer to such law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words “include,” “includes,” and “including” will be deemed to be followed by “without limitation.” Pronouns in masculine, feminine, and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires. The words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole, including the schedules, exhibits and annexes, as the same may from time to time be amended, modified or supplemented, and not to any particular subdivision unless expressly so limited. References to “will” or “shall” mean that the party must perform the matter so described and a reference to “may” means that the party has the option, but not the obligation, to perform the matter so described. All references to sections, schedules, annexes and exhibits mean the sections of this Agreement and the schedules, annexes and exhibits attached to this Agreement, except where otherwise stated. The parties intend that each representation, warranty, and covenant contained herein will have independent significance. If any party has breached any covenant contained herein in any respect, the fact that there exists another covenant relating to the same subject

matter (regardless of the relative levels of specificity) that the party has not breached will not detract from or mitigate the party's breach of the first covenant.

* * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, or been deemed to execute this Agreement, on the date first above written.

THE COMPANY:

SEADRILL 2021 LIMITED

By: /s/ Martyn Svensen
Name: Martyn Svensen
Title: Sole Director

[*Signature Page to Registration Rights Agreement*]

EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement ("Adoption") is executed pursuant to the terms of the Registration Rights Agreement, dated as of February 22, 2022, a copy of which is attached hereto (as amended, the "Registration Rights Agreement"), by the undersigned (the "Undersigned") executing this Adoption. Capitalized terms used herein without definition are defined in the Registration Rights Agreement and are used herein with the same meanings set forth therein. By the execution of this Adoption, the Undersigned agrees as follows:

1. Acknowledgment. The Undersigned acknowledges that the Undersigned is acquiring certain Common Shares, subject to the terms and conditions of the Registration Rights Agreement.

2. Agreement. The Undersigned (i) agrees that the Common Shares acquired by the Undersigned, and certain other Common Shares and other securities of the Company that may be acquired by the Undersigned in the future, shall be bound by and subject to the terms of the Registration Rights Agreement, pursuant to the terms thereof, and (ii) hereby adopts the Registration Rights Agreement with the same force and effect as if the undersigned were originally a party thereto.

3. Notice. Any notice required as permitted by the Registration Rights Agreement shall be given to the Undersigned at the address listed beside the Undersigned's signature below.

4. Opt-In Election. The undersigned Holder hereby notifies the Company of its decision to either exercise or decline its Opt-In Election by marking the appropriate box below.

- The undersigned Holder hereby exercises its Opt-In Election.

- The undersigned Holder hereby declines its Opt-In Election.

[NAME OF HOLDER]

By: __
Name:
Title:
Date:

Address for Notices:

[]
[]
Telephone: []
Email: []

SCHEDULE I

List of Holders

[On file with the Company]

EXECUTION COPY

Dated 22 February 2022

Super Senior Term and Revolving Facilities Agreement

between

Seadrill 2021 Limited
as Parent

Seadrill Rig Holding Company Limited
as RigCo

Seadrill Finance Limited
as Original Borrower

Global Loan Agency Services Limited
as Agent

GLAS Trust Corporation Limited
as Common Security Agent

and others

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This Agreement is made on 22 February 2022

Between:

(1) **Seadrill 2021 Limited** (whose name is to be changed to Seadrill Limited), of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, registration number 202100496, as ultimate parent and guarantor (the "**Parent**");

(2) **Seadrill Rig Holding Company Limited**, of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, registration number 53436, as parent of the RigCo Group and guarantor ("**RigCo**");

(3) **Seadrill Finance Limited**, of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, registration number 202100498, as borrower (the "**Original Borrower**");

(4) **Seadrill Treasury UK Limited**, a company incorporated and existing under the laws of England and Wales, having its registered office at 2nd Floor, Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS, with company no. 11267283, as guarantor ("**Cash Pool Co**");

(5) **The Subsidiaries** of the Parent listed in Part 1 of Schedule 1 (*The Original Parties*) as original guarantors (together with the Parent, the "**Original Guarantors**");

(6) **The Subsidiaries** of the Parent listed in Part 1 of Schedule 1 (*The Original Parties*) as security providers (the "**Original Security Providers**");

(7) **The Financial Institutions** listed in Part 2 of Schedule 1 (*The Original Parties*) as lenders (the "**Original Lenders**");

(8) **Global Loan Agency Services Limited**, a company incorporated and existing under the laws of England and Wales, having its registered office at 55 Ludgate Hill, Level 1, West, London EC4M 7JW, United Kingdom, with company no. 08318601, as agent of the other Finance Parties (the "**Agent**"); and

(9) **GLAS Trust Corporation Limited**, a company incorporated and existing under the laws of England and Wales, having its registered office at 55 Ludgate Hill, Level 1, West, London EC4M 7JW, United Kingdom, with company no. 07927175, as common security agent and trustee for the Secured Parties (the "**Common Security Agent**");

It is agreed as follows:

1. Definitions and Interpretation

1.1 Definitions

In this Agreement:

"**Accession Deed**" means a document substantially in the form set out in Schedule 6 (*Form of Accession Deed*).

"**Additional Business Day**" means any day specified as such in the applicable Reference Rate Terms.

"**Additional Guarantor**" means each company which becomes an Additional Guarantor in accordance with Clause 31 (*Changes to the Obligors*).

"**Additional Obligor**" means a Replacement Borrower or an Additional Guarantor.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agent's Spot Rate of Exchange**" means:

(a) the Agent's spot rate of exchange; or

(b) (if the Agent does not have an available spot rate of exchange) any other publicly available spot rate of exchange selected by the Agent (acting reasonably),

for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

"**Aggregate Total Incremental Facility Commitments**" means, at any time, the aggregate of the Total Incremental Facility Commitments relating to each Incremental Facility.

"**Amendment and Restatement Agreement**" means the Amendment and Restatement Agreement under and as defined in the Senior Facility Agreement.

"**Amortising Incremental Facility**" means an Incremental Facility under which Clause 8.1 (*Repayment of Term Loans*) requires the aggregate Incremental Facility Loans to be repaid in instalments.

"**Amortising Incremental Facility Loan**" means a loan made or to be made under an Amortising Incremental Facility or the principal amount outstanding for the time being of that loan.

"**Ancillary Commencement Date**" means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Availability Period for the Revolving Facility.

"**Ancillary Commitment**" means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum Base Currency Amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility and which has been authorised as such under Clause 6 (*Ancillary Facilities*), to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

"**Ancillary Document**" means each document relating to or evidencing the terms of an Ancillary Facility.

"**Ancillary Facility**" means any ancillary facility made available by an Ancillary Lender in accordance with Clause 6 (*Ancillary Facilities*).

"**Ancillary Lender**" means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 6 (*Ancillary Facilities*).

"**Ancillary Outstandings**" means, at any time, in relation to an Ancillary Lender and an Ancillary Facility then in force the aggregate of the equivalents (as calculated by that Ancillary Lender) in the Base Currency of the following amounts outstanding under that Ancillary Facility:

(c) the principal amount under each overdraft facility and on-demand short term loan facility (net of any Available Credit Balance);

(d) the face amount of each guarantee, bond and letter of credit under that Ancillary Facility; and

(e) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of that Ancillary Lender under each other type of accommodation provided under that Ancillary Facility,

in each case as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

"**Asset Coverage Threshold**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Availability Period**" means:

(f) in relation to the Term Loan Facility, the period from and including the date of this Agreement to and including the Closing Date;

(g) in relation to the Revolving Facility, the period from and including the date of this Agreement to and including the date which is 3 months prior to the Termination Date for the Revolving Facility; and

(h) in relation to any Incremental Facility, the period specified as such in the Incremental Facility Notice relating to that Incremental Facility.

"**Available Commitment**" means, in relation to a Facility, a Lender's Commitment under that Facility minus (subject as set out below):

(i) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility and, in the case of the Revolving Facility only, the Base Currency Amount of the aggregate of its (and its Affiliate's) Ancillary Commitments; and

(j) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date and, in the case of the Revolving Facility only, the Base Currency Amount of its (and its Affiliate's) Ancillary Commitment in relation to any new Ancillary Facility that is due to be made available on or before the proposed Utilisation Date.

For the purposes of calculating a Lender's Available Commitment in relation to any proposed Utilisation under the Revolving Facility only, the following amounts shall not be deducted from that Lender's Revolving Facility Commitment:

(i) that Lender's participation in any Revolving Facility Utilisations that are due to be repaid or prepaid on or before the proposed Utilisation Date; and

(ii) that Lender's (and its Affiliate's) Ancillary Commitments to the extent that they are due to be reduced or cancelled on or before the proposed Utilisation Date.

"**Available Credit Balance**" means, in relation to an Ancillary Facility, credit balances on any account of any Borrower of that Ancillary Facility with the Ancillary Lender making available that Ancillary Facility to the extent that those credit balances are freely available to be set off by that Ancillary Lender against liabilities owed to it by that Borrower under that Ancillary Facility.

"**Available Facility**" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

"**AWV**" means the German foreign trade ordinance called Außenwirtschaftsverordnung.

"**Backstop Commitment Letter**" shall have the meaning given to that term in the PSA.

"**Backstop Party**" shall have the meaning given to that term in the Backstop Commitment Letter.

"**Base Case Model**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Base Currency**" means USD.

"**Base Currency Amount**" means:

(a) in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot

Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement); and

(b) in relation to an Ancillary Commitment, the amount specified as such in the notice delivered to the Agent by the Obligors' Agent pursuant to Clause 6.2 (*Availability*) (or, if the amount specified is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Ancillary Commencement Date for that Ancillary Facility or, if later, the date the Agent receives the notice of the Ancillary Commitment in accordance with the terms of this Agreement),

as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation, or (as the case may be) cancellation or reduction of an Ancillary Facility.

"**Baseline CAS**" means any rate which is specified as such in the applicable Reference Rate Terms.

"**Borrower**" means the Original Borrower or a Replacement Borrower unless it has ceased to be a Borrower in accordance with Clause 31 (*Changes to the Obligors*).

"**Break Costs**" means any amount specified as such in the applicable Reference Rate Terms.

"**Bullet Incremental Facility**" means an Incremental Facility under which Clause 8.1 (*Repayment of Term Loans*) requires the aggregate Incremental Facility Loans to be repaid in full in a single instalment on the Termination Date.

"**Bullet Incremental Facility Loan**" means a loan made or to be made under a Bullet Incremental Facility or the principal amount outstanding for the time being of that loan.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for business in Oslo, London and New York (or any other relevant place of payment under Clause 35 (*Payment Mechanics*)) and, in relation to:

(c) any date for payment or purchase of an amount relating to a Loan; or

(d) the determination of the first day or the last day of an Interest Period for a Loan, or otherwise in relation to the determination of the length of such an Interest Period,

any day which is an Additional Business Day relating to that Loan or Unpaid Sum.

"**Central Bank Rate**" has the meaning given to that term in the applicable Reference Rate Terms.

"**Central Bank Rate Adjustment**" has the meaning given to that term in the applicable Reference Rate Terms.

"**Change of Control**" has the meaning given to that term in clause 2.5 (*Change of control*) of Schedule 14 (*Common Terms*).

"**Charged Property**" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Charter Contracts**" means each of the charter contracts for the employment of the Drilling Units listed in Schedule 15 (*The Drilling Units*) (as updated in accordance with clause 5.11(a) of Schedule 14 (*Common Terms*)).

"**Closing Date**" means the time when the conditions pursuant to paragraphs (a), (b) and (c) of Clause 4.1 (*Initial conditions precedent*) have been satisfied.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment**" means a Term Loan Facility Commitment, Incremental Facility Commitment or Revolving Facility Commitment.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*).

"**Compounded Rate Interest Payment**" means the aggregate amount of interest that:

(e) is, or is scheduled to become, payable under any Finance Document; and

(f) relates to a Loan.

"**Compounded Reference Rate**" means, in relation to any RFR Banking Day during the Interest Period of a Loan, the percentage rate per annum which is the aggregate of:

(g) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day; and

(h) the applicable Credit Adjustment Spread (if any).

"**Compounding Methodology Supplement**" means, in relation to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate, a document which:

(i) is agreed in writing by the Obligors' Agent, the Agent (in its own capacity) and the Agent (acting on the instructions of the Majority Lenders);

(j) specifies a calculation methodology for that rate; and

(k) has been made available to the Obligors' Agent and each Finance Party.

"**Confidential Information**" means all information relating to the Parent, any Obligor, the Group, any Non-Recourse Subsidiary, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

(l) any member of the Group or any of its advisers; or

(m) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

(A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 42 (*Confidential Information*); or

(B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate.

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 9 (*LMA Form of Confidentiality Undertaking*) or in any other form agreed between the Obligors' Agent and the Agent.

"**Credit Adjustment Spread**" means the applicable Baseline CAS.

"**Cumulative Compounded RFR Rate**" means, in relation to an Interest Period for a Loan, the percentage rate per annum determined by the Agent (or by any other Finance Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set

out in Schedule 21 (*Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Non-Cumulative Compounded RFR Rate**" means, in relation to any RFR Banking Day during an Interest Period for a Loan, the percentage rate per annum determined by the Agent (or by any other Finance Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 20 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Rate**" means the rate specified as such in the applicable Reference Rate Terms.

"**Debt Purchase Transaction**" means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 28 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Defaulting Lender**" means any Lender:

(d) which has failed to make its participation in a Loan available (or has notified the Agent or the Obligors' Agent (which has notified the Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*);

(e) which has otherwise rescinded or repudiated a Finance Document; or

(f) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event, and

payment is made within five Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Common Security Agent.

"**Designated Gross Amount**" means the amount notified by the Obligors' Agent to the Agent upon the establishment of a Multi-account Overdraft as being the maximum amount of Gross Outstandings that will, at any time, be outstanding under that Multi-account Overdraft.

"**Designated Net Amount**" means the amount notified by the Obligors' Agent to the Agent upon the establishment of a Multi-account Overdraft as being the maximum amount of Net Outstandings that will, at any time, be outstanding under that Multi-account Overdraft.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to

be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Drilling Units**" means each of the drilling units listed in Schedule 15 (*The Drilling Units*), each of which is owned by the Drilling Unit Owner as set out therein and as updated in accordance with clause 5.11(a) of Schedule 14 (*Common Terms*) (and subject to any disposal or acquisition in accordance with the terms of the Finance Documents).

"**Drilling Unit Owners**" means each of the owners of the respective Drilling Units as set out in Schedule 15 (*The Drilling Units*) (as updated in accordance with clause 5.11(a) of Schedule 14 (*Common Terms*)) and any Additional Guarantor becoming the owner of a Drilling Unit in accordance with the terms of the Finance Documents.

"**Eligible Institution**" means any Lender or other bank, financial institution, trust, fund or other entity selected by the Obligors' Agent and which, in each case, is not a member of the Group.

"**Environmental Claim**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Establishment Date**" means, in relation to an Incremental Facility, the later of:

(a) the proposed Establishment Date specified in the relevant Incremental Facility Notice; and

(b) the date on which the Agent executes the relevant Incremental Facility Notice.

"**Event of Default**" means any event or circumstance specified as such in Clause 28 (*Events of Default*).

"**Exit Fee**" means any exit fee payable pursuant to Clause 15.3 (*Exit fee*).

"**Facility**" means a Term Facility or the Revolving Facility.

"**Facility Office**" means the office or offices notified by a Lender or Finance Party to the Agent in writing on or before the date it becomes a Lender or Finance Party (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

(d) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(e) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letter**" means:

(f) any letter or letters dated on or about the date of this Agreement between the Agent and the Original Borrower or the Common Security Agent and the Original Borrower setting out any of the fees referred to in Clause 15 (*Fees*);

(g) any agreement setting out fees payable to a Finance Party referred to in paragraph (g) of Clause 2.3 (*Increase*) or Clause 15.7 (*Interest, commission and fees on Ancillary Facilities*) or under any other Finance Document; and

(h) any agreement setting out fees payable in respect of an Incremental Facility referred to in Clause 7.9 (*Incremental Facility fees*).

"**Finance Document**" means this Agreement, any Accession Deed, any Ancillary Document, any Compliance Certificate, any Fee Letter, any Incremental Facility Notice, the Intercreditor Agreement, any Resignation Letter, any Reference Rate Supplement, any Compounding Methodology Supplement, any Selection Notice, any Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Agent and the Obligors' Agent.

"**Finance Party**" means the Agent, the Common Security Agent, a Lender or any Ancillary Lender.

"**Financial Indebtedness**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**First Utilisation Date**" has the meaning given to that term in paragraph (c) of Clause 4.2 (*Further conditions precedent*).

"**Funding Rate**" means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 14.3 (*Cost of funds*).

"**Gross Outstandings**" means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft but calculated on the basis that the words "(net of any Available Credit Balance)" in paragraph (a) of the definition of "Ancillary Outstandings" were deleted.

"**Group**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Guarantor**" means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 31 (*Changes to the Obligors*).

"**Hemen Investor**" has the meaning given to that term in the Intercreditor Agreement.

"**Holding Company**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Impaired Agent**" means the Agent at any time when:

(i) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(j) the Agent otherwise rescinds or repudiates a Finance Document;

(k) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of "Defaulting Lender"; or

(l) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within five Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Increase Confirmation**" means a confirmation substantially in the form set out in Schedule 11 (*Form of Increase Confirmation*).

"**Increase Lender**" has the meaning given to that term in Clause 2.3 (*Increase*).

"**Incremental Facility**" means any term loan facility that may be established and made available under this Agreement as described in Clause 7 (*Establishment of Incremental Facilities*).

"**Incremental Facility Cap**" means, at any time, an aggregate principal amount equal to (a) USD 50,000,000 (or its equivalent in any other currency) less (b) the outstanding principal amounts and commitments under any Incremental Facility (including, for the avoidance of doubt, any undrawn and un-cancelled commitments) at such time.

"**Incremental Facility Commitment**" means:

(a) in relation to a Lender which is an Incremental Facility Lender, the amount in the Base Currency set opposite its name under the heading "Incremental Facility Commitment" in the relevant Incremental Facility Notice and the amount of any other Incremental Facility Commitment relating to the relevant Incremental Facility transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*); and

(b) in relation to an Incremental Facility and any other Lender, the amount in the Base Currency of any Incremental Facility Commitment relating to that Incremental Facility transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Incremental Facility Conditions Precedent**" means, in relation to an Incremental Facility:

(c) any document and other evidence specified as such in the relevant Incremental Facility Notice; and

(d) any applicable Incremental Facility Supplemental Security.

"**Incremental Facility Lender**" means, in relation to an Incremental Facility, any entity which is listed as such in the relevant Incremental Facility Notice.

"**Incremental Facility Lender Certificate**" means a document substantially in the form set out in Schedule 13 (*Form of Incremental Facility Lender Certificate*).

"**Incremental Facility Loan**" means, in relation to an Incremental Facility, a loan made or to be made under that Incremental Facility or the principal amount outstanding for the time being of that loan.

"**Incremental Facility Majority Lenders**" means, in relation to an Incremental Facility, a Lender or Lenders whose Incremental Facility Commitments relating to that Incremental Facility aggregate more than 66⅔ per cent. of the Total Incremental Facility Commitments relating to that Incremental Facility (or, if those Total Incremental Facility Commitments have been reduced to zero, aggregated more than 66⅔ per cent. of those Total Incremental Facility Commitments immediately prior to that reduction).

"**Incremental Facility Notice**" means a notice substantially in the form set out in Schedule 12 (*Form of Incremental Facility Notice*).

"**Incremental Facility Repayment Date**" means, in relation to an Amortising Incremental Facility, any date specified as an Incremental Facility Repayment Date in the Incremental Facility Notice relating to that Incremental Facility.

"**Incremental Facility Supplemental Security**" means, in relation to an Incremental Facility, such documents (if any) as are reasonably necessary to provide the Incremental Facility Lenders under that Incremental Facility with the benefit of Security, guarantees, indemnities and other assurance against loss equivalent to the Security, guarantees, indemnities and other assurance against loss provided to the Lenders under each other Term Facility pursuant to the Finance Documents (other than any lack of equivalence directly consequent to being provided later in time).

"**Incremental Facility Terms**" means, in relation to an Incremental Facility:

(e) the currency;

(f) the Total Incremental Facility Commitments;

(g) the Margin;

(h) the level of commitment fee payable pursuant to Clause 15.1 (*Commitment fee*) in respect of that Incremental Facility;

(i) that the Original Borrower or Replacement Borrower is the Borrower to which that Incremental Facility is to be made available;

(j) the purpose(s) for which all amounts borrowed under that Incremental Facility shall be applied pursuant to Clause 3.1 (*Purpose*);

(k) the Availability Period;

(l) any Incremental Facility Conditions Precedent;

(m) the repayment terms for that Incremental Facility for the purposes of Clause 8.1 (*Repayment of Term Loans*) and the effect of cancellation and prepayment of the Incremental Facility for the purposes of Clause 8.3 (*Effect of cancellation and prepayment on scheduled repayments and reductions*);

(n) in the case of a Bullet Incremental Facility, whether the Lenders under that Incremental Facility are permitted to elect to waive prepayments of that Incremental Facility pursuant to Clause 11.8 (*Prepayment elections*); and

(o) the Termination Date,

each as specified in the Incremental Facility Notice relating to that Incremental Facility.

"**Information Nominee**" has the meaning given to that term in clause 5.14 (*Public Lenders*) of Schedule 14 (*Common Terms*).

"**Insolvency Event**" in relation to an entity means that the entity:

(p) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(q) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(r) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(s) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

(t) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);

(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or

(j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"**Intercreditor Agreement**" means the intercreditor agreement dated the same date as this Agreement and made between, among others, the Parent, RigCo, the Debtors (as defined in the Intercreditor Agreement), the Common Security Agent, the agent under the Senior Facility Agreement, the Agent, the Hemen Investor and the Intra-Group Lenders (as defined in the Intercreditor Agreement).

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 13 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 12.3 (*Default interest*).

"**Intra-Group Charterer**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Intra-Group Charterparties**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party as a "Lender" in accordance with Clause 2.3 (*Increase*), Clause 7 (*Establishment of Incremental Facilities*) or Clause 29 (*Changes to the Lenders*),

which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement.

"**LMA**" means the Loan Market Association.

"**Loan**" means a Term Loan or a Revolving Facility Loan.

"**Lookback Period**" means the number of days specified as such in the applicable Reference Rate Terms.

"**Majority Lenders**" means:

(c) (for the purposes of paragraph (a) of Clause 41.2 (*Required consents*) in the context of a waiver in relation to a proposed Utilisation of the Revolving Facility of the condition in Clause 4.2 (*Further conditions precedent*)), a Lender or Lenders whose Revolving Facility Commitments aggregate more than 66⅔ per cent. of the Total Revolving Facility Commitments;

(d) (for the purposes of paragraph (a) of Clause 44.2 (*Required consents*) in the context of a waiver in relation to a proposed Utilisation of the Term Loan of the condition in Clause 4.2 (*Further conditions precedent*)), a Lender or Lenders whose Term Loan Facility Commitments aggregate more than 66⅔ per cent. of the Total Term Loan Facility Commitments;

(e) (for the purposes of paragraph (a) of Clause 41.2 (*Required consents*) in the context of a waiver in relation to a proposed Utilisation of an Incremental Facility of the condition in Clause 4.2 (*Further conditions precedent*)), the Incremental Facility Majority Lenders under that Incremental Facility; and

(f) (in any other case), a Lender or Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66⅔ per cent. of the Total Commitments immediately prior to that reduction).

"**Majority Senior Lenders**" means the Required Majority under and as defined in the Senior Facility Agreement.

"**Mandatory Prepayment Fee**" means any prepayment fee payable pursuant to Clause 15.4(a) (*Prepayment fees*) or Clause 15.4(c) (*Prepayment fees*).

"**Margin**" means:

(g) in relation to any Term Loan Facility Loan, 7.0 per cent. per annum;

(h) in relation to any Incremental Facility Loan, the percentage rate per annum specified as such in the Incremental Facility Notice relating to the Incremental Facility under which that Incremental Facility Loan is made or is to be made;

(i) in relation to any Revolving Facility Loan, 7.0 per cent. per annum;

(j) in relation to any Unpaid Sum relating or referable to a Facility, the rate per annum specified above for that Facility; and

(k) in relation to any other Unpaid Sum, the highest rate specified above.

"**Market Disruption Rate**" means the rate (if any) specified as such in the applicable Reference Rate Terms.

"**Market Value**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Month**" means, in relation to an Interest Period (or any other period for the accrual of commission or fees in a currency), a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, subject to adjustment in accordance with the rules specified as Business Day Conventions in the applicable Reference Rate Terms.

"**Multi-account Overdraft**" means an Ancillary Facility which is an overdraft facility comprising more than one account.

"**Net Outstandings**" means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft.

"**New Lender**" has the meaning given to that term in Clause 29 (*Changes to the Lenders*).

"**Non-Consenting Lender**" has the meaning given to that term in Clause 41.8 (*Replacement of Lender*).

"**Non-Recourse Subsidiary**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Obligor**" means a Borrower or a Guarantor.

"**Obligors' Agent**" means RigCo, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.5 (*Obligors' Agent*).

"**Original Obligor**" means the Original Borrower or an Original Guarantor.

"**Party**" means a party to this Agreement.

"**Plan**" shall have the meaning given to that term in the PSA.

"**Private Lender**" has the meaning given to that term in clause 5.14 (*Public Lenders*) of Schedule 14 (*Common Terms*).

"**Private Lender Information**" has the meaning given to that term in clause 5.14 (*Public Lenders*) of Schedule 14 (*Common Terms*).

"**PSA**" means the plan support and lock-up agreement relating to the recapitalisation plan for the Group dated 23 July 2021.

"**Public Lender**" has the meaning given to that term in clause 5.14 (*Public Lenders*) of Schedule 14 (*Common Terms*).

"**Published Rate**" means an RFR.

"**Published Rate Replacement Event**" means, in relation to a Published Rate:

(a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Majority Lenders and the Obligors' Agent, materially changed;

(b)

(i)

(A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or

(B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

(ii) the administrator of that Published Rate publicly announces that it has ceased or will cease, to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;

(iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or

(iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Reference Rate Supplement**" means a document which:

(a) is agreed in writing by the Obligors' Agent and the Agent (acting on the instructions of the Majority Lenders);

(b) specifies the relevant terms which are expressed in this Agreement to be determined by reference to Reference Rate Terms; and

(c) has been made available to the Obligors' Agent and each Finance Party.

"**Reference Rate Terms**" means in relation to:

(d) a Loan or an Unpaid Sum;

(e) an Interest Period for such a Loan or Unpaid Sum (or other period for the accrual of commission or fees);

(f) any term of this Agreement relating to the determination of a rate of interest in relation to such a Loan or Unpaid Sum,

the terms set out (where such terms are set out for different categories of Loan, Unpaid Sum or accrual of commission or fees) for the category of that Loan, Unpaid Sum or accrual, in Schedule 19 (*Reference Rate Terms*) or in any Reference Rate Supplement.

"**Related Fund**" means, in relation to a fund (the "**first fund**"), a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Market**" means the Relevant Market specified as such in the applicable Reference Rate Terms.

"**Relevant Nominating Body**" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"**Repayment Instalment**" means, in relation to an Amortising Incremental Facility, any instalment for repayment specified as a Repayment Instalment in the Incremental Facility Notice relating to that Incremental Facility.

"**Repeating Representations**" means each of the representations specified as repeating pursuant to clause 4.25 (*Repetition*) of Schedule 14 (*Common Terms*).

"**Replacement Borrower**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Replacement Reference Rate**" means a reference rate which is:

(g) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under paragraph (ii) above;

(b) in the opinion of the Majority Lenders and the Obligors' Agent, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to that Published Rate; or

(c) in the opinion of the Majority Lenders and the Obligors' Agent, an appropriate successor to a Published Rate.

"**Reporting Day**" means the day (if any) specified as such in the applicable Reference Rate Terms.

"**Reporting Time**" means the relevant time (if any) specified as such in the applicable Reference Rate Terms.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Resignation Letter**" means a letter substantially in the form set out in Schedule 7 (*Form of Resignation Letter*).

"**Restructuring Effective Date**" shall have the meaning given to that term in the PSA.

"**Revolving Facility**" means the revolving credit facility made available under this Agreement as described in paragraph (a)(ii) of Clause 2.1 (*The Facilities*).

"**Revolving Facility Commitment**" means:

(d) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Revolving Facility Commitment" in Part 2 of Schedule 1 (*The Original Parties*) and the amount of any other Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*); and

(e) in relation to any other Lender, the amount in the Base Currency of any Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Revolving Facility Loan**" means a loan made or to be made under the Revolving Facility or the principal amount outstanding for the time being of that loan.

"**Revolving Facility Utilisation**" means a Revolving Facility Loan.

"**RFR**" means the rate specified as such in the applicable Reference Rate Terms.

"**RFR Banking Day**" means any day specified as such in the applicable Reference Rate Terms.

"**RigCo Group**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**RigCo Ongoing Liquidity**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Rollover Loan**" means one or more Revolving Facility Loans:

(f) made or to be made on the same day that a maturing Revolving Facility Loan is due to be repaid;

(g) the aggregate amount of which is equal to or less than the amount of the maturing Revolving Facility Loan; and

(h) made or to be made to the same Borrower for the purpose of refinancing that maturing Revolving Facility Loan.

"**Sanctions**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Seadrill**" means Seadrill Limited, of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, registration number 53439.

"**Secured Parties**" means each Finance Party from time to time party to this Agreement, any Receiver or Delegate, and each agent, arranger and lender from time to time party to the Senior Facility Agreement.

"**Security**" means a mortgage, charge (whether fixed or floating), pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Documents**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Security Principles**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Security Providers**" means each of the Original Security Providers and any other entity (other than an Obligor) which at any time provides Security pursuant to any Security Document.

"**Selection Notice**" means a notice substantially in the form set out in Part 2 of Schedule 3 (*Requests and Notices*) given in accordance with Clause 13 (*Interest Periods*) in relation to a Term Facility.

"**Senior Facility**" means the loan facility made available under the Senior Facility Agreement.

"**Senior Facility Agreement**" means the USD 682,992,430 senior facility agreement dated the same date as this Agreement and made between, among others, the Parent, RigCo, Cash Pool Co, Global Loan Agency Services Limited as facility agent and the Common Security Agent.

"**Senior Finance Documents**" means the Finance Documents under and as defined in the Senior Facility Agreement.

"**Senior Finance Party**" means a Finance Party under and as defined in the Senior Facility Agreement.

"**Senior Lender**" means a Lender under and as defined in the Senior Facility Agreement.

"**Senior Secured Finance Documents**" means the Finance Documents and the Senior Finance Documents.

"**Senior Secured Finance Parties**" means the Finance Parties and the Senior Finance Parties.

"**Separate Loan**" has the meaning given to that term in Clause 8.2 (*Repayment of Revolving Facility Loans*).

"**Simple Majority Lenders**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Simple Majority RFA/NMFA Lenders**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Specified Time**" means a day or time determined in accordance with Schedule 10 (*Timetables*).

"**Subsidiary**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Supra Majority Lenders**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and "**Taxes**" and "**Taxation**" shall be construed accordingly.

"**Term Facility**" means the Term Loan Facility or any Incremental Facility.

"**Term Loan**" means a Term Loan Facility Loan or an Incremental Facility Loan.

"**Term Loan Facility**" means the term loan facility made available under this Agreement as described in paragraph (a)(i) of Clause 2.1 (*The Facilities*).

"**Term Loan Facility Commitment**" means:

(i) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Term Loan Facility Commitment" in Part 2 of Schedule 1 (*The Original Parties*) and the amount of any other Term Loan Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*); and

(j) in relation to any other Lender, the amount in the Base Currency of any Term Loan Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Term Loan Facility Loan**" means a loan made or to be made under the Term Loan Facility or the principal amount outstanding for the time being of that loan.

"**Termination Date**" means:

(k) in relation to each of the Term Loan Facility and the Revolving Facility, 15 December 2026; and

(l) in relation to an Incremental Facility, the date specified as such in the Incremental Facility Notice relating to that Incremental Facility.

"**Total Commitments**" means the aggregate of the Total Term Loan Facility Commitments, the Aggregate Total Incremental Facility Commitments and the Total Revolving Facility Commitments, being USD 300,000,000 at the date of this Agreement.

"**Total Term Loan Facility Commitments**" means the aggregate of the Term Loan Facility Commitments, being USD 175,000,000 at the date of this Agreement.

"**Total Incremental Facility Commitments**" means, in relation to an Incremental Facility, the aggregate of the Incremental Facility Commitments relating to that Incremental Facility.

"**Total Revolving Facility Commitments**" means the aggregate of the Revolving Facility Commitments, being USD 125,000,000 at the date of this Agreement.

"**Transaction Security**" has the meaning given to that term in clause 1.1 (*Definitions*) of Schedule 14 (*Common Terms*).

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Obligors' Agent.

"**Transfer Date**" means, in relation to an assignment or a transfer, the later of:

(m) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(n) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**US**" means the United States of America.

"**US Bankruptcy Code**" means Title 11 of The United States Code (entitled "Bankruptcy"), as amended from time to time and as now or hereafter in effect, or any successor thereto.

"**Utilisation**" means a Loan.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"**Utilisation Request**" means a notice substantially in the relevant form set out in Part 1 of Schedule 3 (*Requests and Notices*).

"**VAT**" means:

(o) any value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto;

(p) any Tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(q) any other Tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

"**Waivable Bullet Incremental Facility**" means a Bullet Incremental Facility in respect of which the relevant Incremental Facility Notice specifies that Lenders are permitted to elect to waive prepayments of that Bullet Incremental Facility pursuant to Clause 11.8 (*Prepayment elections*).

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) the "**Agent**", the "**Common Security Agent**", any "**Drilling Unit Owner**", any "**Finance Party**", the "**Hemen Investor**", any "**Intra-Group Charterer**", any "**Lender**", any "**Obligor**", any "**Party**", any "**Secured Party**", any "**Security Provider**", or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Agent and the Common Security Agent, any person for the time being appointed as Agent or Common Security Agent in accordance with the Finance Documents;

(ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Obligors' Agent and the Agent or, if not so agreed, is in the form specified by the Agent;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a Lender's "**cost of funds**" in relation to its participation in a Loan is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that

participation in that Loan for a period equal in length to the Interest Period of that Loan;

(v) a "**Finance Document**", "**drilling contract**", "**Charter Contract**", "**Intra-Group Charterparty**" or a "**Senior Secured Finance Document**" or any other agreement or instrument is a reference to that Finance Document or Senior Secured Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(vi) a "**group of Lenders**" includes all the Lenders;

(vii) "**guarantee**" means (other than in Clause 21 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(viii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(ix) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(x) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type which is customarily complied with by those to whom it is addressed) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(xi) a provision of law is a reference to that provision as amended or re-enacted from time to time; and

(xii) a time of day is a reference to London time.

(b) The determination of the extent to which a rate is "**for a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

(c) Section, Clause and Schedule headings are for ease of reference only.

(d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(e) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been remedied or waived.

(f) The representations and undertakings given in clauses 4.22 (*Sanctions*), 7.2 (*Compliance with laws and sanctions*) and 7.24 (*Sanctions*) of Schedule 14 (*Common Terms*) respectively shall not apply for the benefit of a Finance Party who notifies the Agent to this effect if and to the extent that it is or would be unenforceable by or in respect of that Finance Party by reason of any violation of, conflict with or liability of section 7 of the German Foreign Trade Regulation (Außenwirtschaftsverodnung) (in conjunction with section 4, paragraph 1a, no.3 foreign trade law (AWG) (Außenwirtschaftsgesetz)), any provision of Council Regulation (EC) 2271/1996 (in conjunction with Commission Delegated Regulation EU 2018/1100) or any similar anti-boycott laws or regulation by that Finance Party.

(g) A Borrower "**repaying**" or "**prepaying**" Ancillary Outstandings means:

(i) that Borrower providing cash cover in respect of the Ancillary Outstandings;

(ii) the maximum amount payable under the Ancillary Facility being reduced or cancelled in accordance with its terms; or

(iii) the Ancillary Lender being satisfied that it has no further liability under that Ancillary Facility,

and the amount by which Ancillary Outstandings are, repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover, reduction or cancellation.

(h) An amount borrowed includes any amount utilised under an Ancillary Facility.

(i) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:

(i) any replacement page of that information service which displays that rate; and

(ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Agent after consultation with the Obligors' Agent.

(j) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.

(k) Any Reference Rate Supplement overrides anything in:

(i) Schedule 19 (*Reference Rate Terms*); or

(ii) any earlier Reference Rate Supplement.

(l) A Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:

(i) Schedule 20 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 21 (*Cumulative Compounded RFR Rate*), as the case may be; or

(ii) any earlier Compounding Methodology Supplement.

1.3 Currency symbols and definitions

"**$**", "**USD**" and "**dollars**" denote the lawful currency of the United States of America.

1.4 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Agreement.

(b) Subject to paragraph (a) of Clause 41.5 (*Other exceptions*) but otherwise notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

1.5 Non-applicable provisions between the Obligors and German Lenders

(a) To the extent a Finance Party resident in Germany ("**Inländer**") within the meaning of Section 2 Paragraph 15 of the AWV and therefore subject to Section 7 of the AWV would not be permitted to make a representation or grant an undertaking (to be) made or (to be) granted by an Obligor with respect to Sanctions under any of the Finance Documents, such Finance Party shall not, in the event of a breach by an Obligor of any such representation or undertaking be entitled to invoke or declare an Event of

Default or vote for a cancellation of the Total Commitments and immediate repayment of the Loan in accordance with Clause 28.2 (*Acceleration*).

(b) The representations and undertakings in clauses 4.22 (*Sanctions*), 7.2 (*Compliance with laws and sanctions*) and 7.24 (*Sanctions*) of Schedule 14 (*Common Terms*), and the mandatory prepayment set out in clause 2.4 (*Sanctions*) of Schedule 14 (*Common Terms*) in favour of or to any Inländer are granted only to the extent that such Finance Party would be permitted to make such representations or undertakings or carry out such prepayment pursuant to Section 7 of the AWV. As a consequence, a Finance Party resident in Germany may not vote in favour of the Agent exercising any rights as set out in these Clauses if an Event of Default occurs solely as a result of misrepresentation of such representations or breach of such covenants which are not made or given for the benefit of the Finance Party resident in Germany and, for the purposes of ascertaining the Majority Lenders or whether any percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained in respect of such vote, such Lenders' Commitments and/or part of the Loan will be deemed to be zero for the purposes of such vote.

1.6 Intercreditor Agreement

In the event of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

2. The Facilities

1.1 The Facilities

(a) Subject to the terms of this Agreement, the Lenders make available:

(i) a Base Currency term loan facility in an aggregate amount equal to the Total Term Loan Facility Commitments; and

(ii) a Base Currency revolving credit facility in an aggregate amount equal to the Total Revolving Facility Commitments.

(b) The Term Loan Facility and the Revolving Facility will be available to the Original Borrower or any Replacement Borrower.

(c) Subject to the terms of this Agreement and the Ancillary Documents, an Ancillary Lender may make all or part of its Revolving Facility Commitment available to the Original Borrower or any Replacement Borrower as an Ancillary Facility.

1.2 Incremental Facilities

One or more Incremental Facilities may be established and made available pursuant to Clause 7 (*Establishment of Incremental Facilities*).

1.3 Increase

(a) The Obligors' Agent may by giving prior notice to the Agent by no later than the date falling 20 Business Days after the effective date of a cancellation of:

(i) the Available Commitments of a Defaulting Lender in accordance with Clause 9.6 (*Right of cancellation in relation to a Defaulting Lender*); or

(ii) the Commitments of a Lender in accordance with:

(A) Clause 9.1 (*Illegality*); or

(B) paragraph (a) of Clause 9.5 (*Right of cancellation and repayment in relation to a single Lender*),

request that the Commitments relating to any Facility be increased (and the Commitments relating to that Facility shall be so increased) in an aggregate amount in the Base Currency of up to the amount of the Available

Commitments or Commitments relating to that Facility so cancelled as follows:

(iii) the increased Commitments will be assumed by one or more Eligible Institutions (each an "**Increase Lender**") each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender in respect of those Commitments;

(iv) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;

(v) each Increase Lender shall become a Party as a "Lender" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;

(vi) the Commitments of the other Lenders shall continue in full force and effect; and

(vii) any increase in the Commitments relating to a Facility shall take effect on the date specified by the Obligors' Agent in the notice referred to above or any later date on which the Agent executes an otherwise duly completed Increase Confirmation delivered to it by the relevant Increase Lender.

(b) The Agent shall, subject to paragraph (c) below, as soon as reasonably practicable after receipt by it of a duly completed Increase Confirmation appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Increase Confirmation.

(c) The Agent shall only be obliged to execute an Increase Confirmation delivered to it by an Increase Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender.

(d) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.

(e) RigCo or the Borrower shall promptly on demand pay the Agent and the Common Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Common Security Agent, by any Receiver or Delegate in connection with any increase in Commitments under this Clause 2.3.

(f) The Increase Lender shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 29.3 (*Assignment or transfer fee*) if the increase was a transfer pursuant to Clause 29.5 (*Procedure for transfer*) and if the Increase Lender was a New Lender.

(g) RigCo or the Borrower may pay to the Increase Lender a fee in the amount and at the times agreed between the Obligors' Agent and the Increase Lender in a Fee Letter.

(h) Neither the Agent nor any Lender shall have any obligation to find an Increase Lender and in no event shall any Lender whose Commitment is replaced by an

Increase Lender be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents.

(i) Clause 29.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.3 in relation to an Increase Lender as if references in that Clause to:

(i) an "**Existing Lender**" were references to all the Lenders immediately prior to the relevant increase;

(ii) the "**New Lender**" were references to that "**Increase Lender**"; and

(iii) a "**re-transfer**" and "**re-assignment**" were references to respectively a "**transfer**" and "**assignment**".

1.4 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

(c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

1.5 Obligors' Agent

(a) Each Obligor (other than RigCo) by its execution of this Agreement or an Accession Deed irrevocably appoints RigCo (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) RigCo on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to agree any Incremental Facility Terms and to deliver any Incremental Facility Notice, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Obligors' Agent,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became

an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3. Purpose

1.1 Purpose

(a) Each Borrower shall apply all amounts borrowed by it under the Term Loan Facility towards:

(i) the prepayment of amounts outstanding under the USD 360,000,000 senior secured credit facility agreement originally dated 9 April 2013 between, amongst others, Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited and Asia Offshore Rig 3 Limited as borrowers and Global Loan Agency Services Limited as agent (including, without limitation, principal plus accrued prepetition and post-petition interest, and all fees, penalties, premiums, and any other amounts due);

(ii) drilling unit stacking, maintenance and drilling unit reactivation costs; and

(iii) general corporate and working capital purposes (including, without limitation, the payment of the arrangement fee set out below and other fees, costs and expenses incurred in connection with the Term Loan Facility and the Revolving Facility, but excluding acquisitions of companies, businesses and undertakings and excluding investments in joint ventures (other than existing joint ventures in respect of Drilling Units owned by the Group)).

(b) Each Borrower shall apply all amounts borrowed by it under the Revolving Facility towards the general corporate and working capital purposes of the Group (but not towards acquisitions of companies, businesses or undertakings, investment in any joint ventures (other than joint ventures in respect of Drilling Units owned by the Group) or prepayment of any Term Loan or, in the case of any utilisation of any Ancillary Facility, towards prepayment of any Revolving Facility Utilisation).

(c) Each Borrower shall apply all amounts borrowed by it under an Incremental Facility for one or more of the purposes specified in paragraph (c) of Clause 7.5 (*Restrictions on Incremental Facility Terms and fees*).

1.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. Conditions of Utilisation

1.1 Initial conditions precedent

(a) The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to any Utilisation if on or before the Utilisation Date for that Utilisation:

(i) all conditions to the Restructuring Effective Date (other than Utilisation of the Term Loan Facility or any conditions to be satisfied using the proceeds of such Utilisation) have been satisfied; and

(ii) each of the Agent and/or the Common Security Agent (as applicable) has received or, in respect of any condition which by its nature cannot be satisfied prior to the Restructuring Effective Date, will upon the occurrence of the Restructuring Effective Date receive (such conditions to be in agreed form before the Agent gives its confirmation under paragraph (b) below) all of the documents and other evidence listed in Part 1 of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to (i) other than in the case of the Base Case Model, the CoCom and the Ad Hoc Group in accordance with,

and each as defined in, the Plan (certified, notarised and/or apostilled as required), or (ii) in the case of the Base Case Model, those members of the CoCom and the Ad Hoc Group (each as defined in the Plan) who have notified the Agent (with a copy to the Obligors' Agent) in writing that they are or intend to be Private Lenders and accordingly wish to receive and access Private Lender Information.

(b) Upon satisfaction of all conditions to the Closing Date (other than any condition which by its nature cannot be satisfied prior to the Restructuring Effective Date) the CoCom and the Ad Hoc Group (each as defined in the Plan) shall promptly so confirm to the Agent and, subsequently, the Agent shall promptly so confirm to the Obligors' Agent.

(c) The Agent shall promptly notify the respective Finance Parties and the Obligors' Agent of the occurrence of the Closing Date.

(d) The Agent is irrevocably authorised by the CoCom and the Ad Hoc Group (each as defined in the Plan) to temporarily waive (in whole or in part and with or without conditions), for a period of two (2) Business Days, the fulfilment of any condition and/or the delivery of any document and/or other evidence specified in paragraph (a) above. The Finance Parties shall be notified by the Agent of a waiver granted pursuant to this paragraph.

(e) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the confirmations and notifications described in paragraphs (b) and (c) above, the Lenders authorise (but do not require) the Agent to give those confirmations and notifications. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such confirmations or notifications.

(f) The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to any Incremental Facility Loan if, on or before the Utilisation Date for that Loan, the Agent has received all of the Incremental Facility Conditions Precedent relating to the relevant Incremental Facility (if any) in form and substance satisfactory to the Agent (acting on the instructions of the Incremental Facility Lenders). The Agent shall notify the Obligors' Agent and the Lenders promptly upon being so satisfied.

(g) Other than to the extent that the Incremental Facility Majority Lenders under the relevant Incremental Facility notify the Agent in writing to the contrary before the Agent gives a notification described in paragraph (f) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

1.2 Further conditions precedent

Subject to Clause 4.1 (*Initial conditions precedent*), the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*), if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan, notwithstanding that an Event of Default may be continuing or that any of the Repeating Representations may not be correct, no notice has been delivered pursuant to Clause 28.2 (*Acceleration*);

(b) in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation; and

(c) in relation to any Utilisation on the date on which the Term Loan Facility is first utilised (the "**First Utilisation Date**"), all the representations and warranties set out in clause 4 (*Representations and Warranties*) of Schedule 14 (*Common Terms*) or, in relation to any other Utilisation, other than in the case of a Rollover Loan, the Repeating Representations to be made by each Obligor are true in all material respects by reference to the facts and circumstances then subsisting.

1.3 Conditions Subsequent

The Obligors' Agent shall procure that any document, authorisation or other condition (if any) reasonably requested by the Agent and/or the Common Security Agent (acting on the instructions of the CoCom and the Ad Hoc Group (each as defined in the Plan)) after the later of (i) the date on which this Agreement is substantially agreed among the Parties, and (ii) the date falling two (2) weeks prior to the Closing Date, but in each case prior to or on the Closing Date, shall be provided no later than five (5) Business Days after the Restructuring Effective Date or such other period agreed between the Obligors' Agent and the Agent and/or Common Security Agent (acting on the instructions of the CoCom and the Ad Hoc Group (each as defined in the Plan)) (as applicable), both acting reasonably by reference to the condition subsequent requested.

1.4 Maximum number of Utilisations

(a) A Borrower (or the Obligors' Agent) may not deliver a Utilisation Request if as a result of the proposed Utilisation:

(i) two or more Term Loans (other than Incremental Facility Loans) would be outstanding;

(ii) 10 or more Revolving Facility Utilisations would be outstanding; or

(iii) 5 or more Incremental Facility Loans would be outstanding.

(b) A Borrower (or the Obligors' Agent) may not request that a Term Loan Facility Loan or an Incremental Facility Loan be divided if, as a result of the proposed division, 4 or more Term Loan Facility Loans or 5 or more Incremental Facility Loans would be outstanding.

(c) Any Separate Loan shall not be taken into account in this Clause 4.4.

5. Utilisation – Loans

1.1 Delivery of a Utilisation Request

(a) The Original Borrower (or the Obligors' Agent on its behalf) may utilise the Term Loan Facility on the Closing Date by delivery to the Agent of a duly completed Utilisation Request not later than the Closing Date.

(b) Other than with respect to the Utilisation of the Term Loan Facility on the Closing Date, a Borrower (or the Obligors' Agent on its behalf) may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

1.2 Completion of a Utilisation Request for Loans

(a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:

(i) it identifies the Facility to be utilised;

(ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

(iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and

(iv) the proposed Interest Period complies with Clause 13 (*Interest Periods*).

(b) Only one Utilisation may be requested in each Utilisation Request.

1.3 Currency and amount

(a) The currency specified in a Utilisation Request must be:

(i) in relation to a Term Facility, the Base Currency; and

(ii) in relation to the Revolving Facility, the Base Currency.

(b) The amount of the proposed Utilisation must be:

(i) an amount equal to USD 175,000,000 for the Term Loan Facility or, if less, the Available Facility; or

(ii) for the Revolving Facility, a minimum of USD 5,000,000 or, if less, the Available Facility; or

(iii) at least such minimum amount as is specified (if any) in the relevant Incremental Facility Notice delivered in respect of the relevant Incremental Facility.

1.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met, and subject to Clause 8.2 (*Repayment of Revolving Facility Loans*), each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) Other than as set out in paragraph (c) below, the amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

(c) If a Revolving Facility Utilisation is made to repay Ancillary Outstandings, each Lender's participation in that Utilisation will be in an amount (as determined by the Agent) which will result as nearly as possible in the aggregate amount of its participation in the Revolving Facility Utilisations then outstanding bearing the same proportion to the aggregate amount of the Revolving Facility Utilisations then outstanding as its Revolving Facility Commitment bears to the Total Revolving Facility Commitments.

1.5 Limitations on Utilisations

(a) The Revolving Facility shall not be utilised unless the Term Loan Facility has been utilised.

(b) The Term Loan Facility may only be utilised on the First Utilisation Date.

(c) The maximum aggregate amount of the Ancillary Commitments of all the Lenders shall not at any time exceed USD 50,000,000.

(d) No Incremental Facility shall be utilised unless the Term Loan Facility has been utilised.

1.6 Cancellation of Commitment

(a) The Term Loan Facility Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for the Term Loan Facility.

(b) The Revolving Facility Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for the Revolving Facility.

(c) The Incremental Facility Commitments relating to an Incremental Facility which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for that Incremental Facility.

6. Ancillary Facilities

1.1 Type of Facility

An Ancillary Facility may be by way of:

(a) an overdraft facility;

(b) a guarantee, bonding, documentary or stand-by letter of credit facility;

(c) a short term loan facility;

(d) a derivatives facility;

(e) a foreign exchange facility; or

(f) any other facility or accommodation required in connection with the business of the Group and which is agreed by the Obligors' Agent with an Ancillary Lender.

1.2 Availability

(a) If the Obligors' Agent and a Lender agree and except as otherwise provided in this Agreement, the Lender may provide all or part of its Revolving Facility Commitment as an Ancillary Facility.

(b) An Ancillary Facility shall not be made available unless, not later than five Business Days prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Obligors' Agent:

(i) a notice in writing of the establishment of an Ancillary Facility and specifying:

(A) the proposed Borrower(s) which may use the Ancillary Facility;

(B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;

(C) the proposed type of Ancillary Facility to be provided;

(D) the proposed Ancillary Lender;

(E) the proposed Ancillary Commitment, the maximum amount of the Ancillary Facility and, in the case of a Multi-account Overdraft, its Designated Gross Amount and its Designated Net Amount; and

(F) the proposed currency of the Ancillary Facility (if not denominated in the Base Currency); and

(ii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.

(c) The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.

(d) Subject to compliance with paragraph (b) above:

(i) the Lender concerned will become an Ancillary Lender; and

(ii) the Ancillary Facility will be available,

with effect from the date agreed by the Obligors' Agent and the Ancillary Lender.

1.3 Terms of Ancillary Facilities

(a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Obligors' Agent.

(b) Those terms:

(i) must be based upon normal commercial terms at that time (except as varied by this Agreement);

(ii) may allow only Borrowers to use the Ancillary Facility;

(iii) may not allow the Ancillary Outstandings to exceed the Ancillary Commitment;

(iv) may not allow a Lender's Ancillary Commitment to exceed that Lender's Available Commitment relating to the Revolving Facility (before taking into account the effect of the Ancillary Facility on that Available Commitment); and

(v) must require that the Ancillary Commitment is reduced to zero, and that all Ancillary Outstandings are repaid not later than the Termination Date applicable to the Revolving Facility (or such earlier date as the Revolving Facility Commitment of the relevant Ancillary Lender (or its Affiliate) is reduced to zero).

(c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for:

(i) Clause 38.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility;

(ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail to the extent required to permit the netting of balances on those accounts; and

(iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document, in which case that term of this Agreement shall not prevail.

(d) Interest, commission and fees on Ancillary Facilities are dealt with in Clause 15.7 (*Interest, commission and fees on Ancillary Facilities*).

1.4 Repayment of Ancillary Facility

(a) An Ancillary Facility shall cease to be available on the Termination Date applicable to the Revolving Facility or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.

(b) If an Ancillary Facility expires in accordance with its terms the Ancillary Commitment of the Ancillary Lender shall be reduced to zero (and its Revolving Facility Commitment shall be increased accordingly).

(c) No Ancillary Lender may demand repayment or prepayment of any Ancillary Outstandings prior to the expiry date of the relevant Ancillary Facility unless:

(i) required to reduce the Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to its Net Outstandings;

(ii) the Total Revolving Facility Commitments have been cancelled in full or all outstanding Utilisations under the Revolving Facility have become due and payable in accordance with the terms of this Agreement;

(iii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility (or it becomes unlawful for any Affiliate of the Ancillary Lender for the Ancillary Lender to do so); or

(iv) both:

(A) the Available Commitments relating to the Revolving Facility; and

(B) the notice of the demand given by the Ancillary Lender,

would not prevent the relevant Borrower funding the repayment of those Ancillary Outstandings in full by way of Revolving Facility Utilisation.

(d) If a Revolving Facility Utilisation is made to repay Ancillary Outstandings in full, the relevant Ancillary Commitment shall be reduced to zero.

1.5 Limitation on Ancillary Outstandings

Each Borrower shall procure that:

(a) the Ancillary Outstandings under any Ancillary Facility shall not exceed the Ancillary Commitment applicable to that Ancillary Facility; and

(b) in relation to a Multi-account Overdraft:

(i) the Ancillary Outstandings shall not exceed the Designated Net Amount applicable to that Multi-account Overdraft; and

(ii) the Gross Outstandings shall not exceed the Designated Gross Amount applicable to that Multi-account Overdraft.

1.6 Information

Each Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Agent may reasonably request from time to time. Each Borrower consents to all such information being released to the Agent and the other Finance Parties.

1.7 Affiliates of Lenders as Ancillary Lenders

(a) Subject to the terms of this Agreement, an Affiliate of a Lender may become an Ancillary Lender. In such case, the Lender and its Affiliate shall be treated as a single Lender whose Revolving Facility Commitment is the amount set out opposite the relevant Lender's name in Part 2 of Schedule 1 (*The Original Parties*) and/or the amount of any Revolving Facility Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement.

(b) The Obligors' Agent shall specify any relevant Affiliate of a Lender in any notice delivered by the Obligors' Agent to the Agent pursuant to paragraph (b)(i) of Clause 6.2 (*Availability*).

(c) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender, its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Document.

(d) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

1.8 Revolving Facility Commitment amounts

Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Revolving Facility Commitment is not less than:

(a) its Ancillary Commitment; or

(b) the Ancillary Commitment of its Affiliate.

1.9 Amendments and Waivers – Ancillary Facilities

No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this Clause 6). In such a case, Clause 41 (*Amendments and Waivers*) will apply.

7. Establishment of Incremental Facilities

1.1 Selection of Incremental Facility Lenders

(a) *Definitions*: In this Agreement:

"**Further Incremental Facility Shortfall**" means, in relation to a Proposed Facility Size, any amount by which that Proposed Facility Size exceeds the aggregate of the proposed Incremental Facility Commitments offered by the Participating Lenders following the operation of paragraph (f) below.

"**Incremental Facility Proportion**" means, in relation to a Proposed Facility Size, the proportion borne from time to time by a Participating Lender's proposed Incremental Facility Commitment to that Proposed Facility Size.

"**Incremental Facility Proposal**" means a notice from the Obligors' Agent addressed to each Lender which:

(a) invites each Lender to participate in a proposed Incremental Facility; and

(b) sets out the proposed Incremental Facility Terms applicable to that Incremental Facility and any fee or commission proposed to be payable to lenders under that proposed Incremental Facility.

"**Incremental Facility Shortfall**" means, in relation to a Proposed Facility Size, any amount by which that Proposed Facility Size exceeds the aggregate of the proposed Incremental Facility Commitments offered by the Participating Lenders pursuant to paragraph (c) below (as adjusted, if applicable, pursuant to paragraph (e) below).

"**Incremental Facility Solicitation Period**" means, in relation to an Incremental Facility Proposal, the period of time starting on the date of that Incremental Facility Proposal and ending on the date which falls 15 Business Days after the date of that Incremental Facility Proposal.

"**Participating Lender**" means, in relation to an Incremental Facility Proposal, any Lender which makes an offer in respect of the Incremental Facility proposed in that Incremental Facility Proposal pursuant to paragraph (c) below.

"**Proposed Facility Size**" means, in relation to an Incremental Facility Proposal, the proposed Total Incremental Facility Commitments set out in that Incremental Facility Proposal.

(b) *Invitation to all Lenders*: The Obligors' Agent shall solicit potential Incremental Facility Lenders for any proposed Incremental Facility by delivery of an Incremental Facility Proposal to the Agent and each Lender not later than 15 Business Days prior to the date on which the Obligors' Agent delivers an Incremental Facility Notice to the Agent pursuant to Clause 7.2 (*Delivery of Incremental Facility Notice*).

(c) *Lender's offer*: Any Lender which wishes to become an Incremental Facility Lender in respect of an Incremental Facility proposed in an Incremental Facility Proposal shall notify the Obligors' Agent and the Agent of the proposed Incremental Facility Commitment that it unconditionally offers to make available in respect of that proposed Incremental Facility no later than 5:00 p.m. on the last day of the Incremental Facility Solicitation Period relating to that Incremental Facility Proposal.

(d) *Expiry of Lender's offer*: Each Participating Lender's offer under paragraph (c) above (as adjusted, if applicable, pursuant to paragraphs (e) or (f) below) in respect of an Incremental Facility proposed in an Incremental Facility Proposal shall, unless otherwise agreed by all the Participating Lenders under that Incremental Facility Proposal, expire on the earlier of:

(i) the day falling 15 Business Days after the last day of the Incremental Facility Solicitation Period relating to that Incremental Facility Proposal; and

(ii) the date of any Incremental Facility Notice delivered in respect of that proposed Incremental Facility.

(e) *Scaleback of Lenders' offers*: If the aggregate amount of the proposed Incremental Facility Commitments offered by the Participating Lenders pursuant to paragraph (c) above in respect of an Incremental Facility proposed in an Incremental Facility Proposal exceeds the Proposed Facility Size set out in that Incremental Facility Proposal, those proposed Incremental Facility Commitments shall be reduced to the extent necessary such that each such Participating Lender's Incremental Facility Proportion relating to that Proposed Facility Size is no greater than the proportion borne by the aggregate of its Commitments to the aggregate of the Commitments of all of the Lenders which are Participating Lenders in respect of that Incremental Facility Proposal.

(f) *Invitation to Participating Lenders if shortfall*: If there is an Incremental Facility Shortfall relating to a Proposed Facility Size set out in an Incremental Facility Proposal (whether resulting from the operation of paragraph (e) above or otherwise), the Obligors' Agent shall invite each Participating Lender under that Incremental Facility Proposal to increase the proposed Incremental Facility Commitment offered by it in respect of the Incremental Facility proposed in that Incremental Facility Proposal by an amount no greater than its Incremental Facility Proportion of that Incremental Facility Shortfall.

(g) *Deadline for Participating Lenders to offer increase*: Each Participating Lender under an Incremental Facility Proposal shall notify the Obligors' Agent and the Agent of its offer of an increased proposed Incremental Facility Commitment (if any) pursuant to paragraph (f) above no later than 5:00 p.m. on the day falling 10 Business Days after the last day of the Incremental Facility Solicitation Period relating to that Incremental Facility Proposal.

(h) *Wider invitation if further shortfall*: If there is a Further Incremental Facility Shortfall relating to a Proposed Facility Size set out in an Incremental Facility Proposal, the Obligors' Agent may, in any manner, invite any Eligible Institutions to offer proposed Incremental Facility Commitments in respect of the Incremental Facility proposed in that Incremental Facility Proposal in a maximum aggregate amount no greater than that Further Incremental Facility Shortfall and, for the avoidance of doubt, on the same terms as those in the Incremental Facility Proposal delivered to existing Lenders pursuant to paragraph (b) above.

(i) *Participating Lender's Incremental Facility Commitment*: Each Participating Lender's Incremental Facility Commitment specified in any Incremental Facility Notice delivered in respect of an Incremental Facility proposed in an Incremental Facility Proposal shall, unless that Participating Lender agrees to be allocated an Incremental Facility Commitment in a lower amount, be in an amount equal to the amount of the proposed Incremental Facility Commitment offered by that Participating Lender in response to that Incremental Facility Proposal (as adjusted, if applicable, pursuant to paragraphs (e) or (f) above).

(j) *Incremental Facility Terms*: The Incremental Facility Terms specified in any Incremental Facility Notice delivered in respect of an Incremental Facility and any fee or commission payable to Incremental Facility Lenders under that Incremental Facility shall be the same as those set out in the Incremental Facility Proposal relating to that Incremental Facility.

(k) *Amendment and withdrawal*: The Obligors' Agent shall not amend any Incremental Facility Proposal but may withdraw an Incremental Facility Proposal at any time.

(l) *Effect of withdrawal*: Withdrawal of an Incremental Facility Proposal shall terminate the process set out in this Clause 7.1 in respect of the Incremental Facility proposed in that Incremental Facility Proposal and that Incremental Facility shall not be established.

1.2 Delivery of Incremental Facility Notice

(a) On completion of the solicitation process set out in Clause 7.1 (*Selection of Incremental Facility Lenders*), the Obligors' Agent and each relevant Incremental Facility Lender may request the establishment of an Incremental Facility by the Obligors' Agent delivering to the Agent a duly completed Incremental Facility Notice

not later than 10 Business Days prior to the proposed Establishment Date specified in that Incremental Facility Notice.

(b) No Incremental Facility Notice may be delivered on or before the Closing Date.

1.3 Completion of an Incremental Facility Notice

(a) Each Incremental Facility Notice is irrevocable and will not be regarded as having been duly completed unless:

(i) it sets out the Incremental Facility Terms applicable to the Incremental Facility to which it relates;

(ii) the Incremental Facility complies with Clause 7.5 (*Restrictions on Incremental Facility Terms and fees*); and

(iii) the Incremental Facility Lenders and the Incremental Facility Commitments set out in that Incremental Facility Notice have been selected and allocated in accordance with Clause 7.1 (*Selection of Incremental Facility Lenders*).

(b) Only one Incremental Facility may be requested in an Incremental Facility Notice.

1.4 Maximum number of Incremental Facilities

The Obligors' Agent may not deliver an Incremental Facility Notice if as a result of the establishment of the proposed Incremental Facility eleven or more Incremental Facilities would have been established under this Agreement.

1.5 Restrictions on Incremental Facility Terms and fees

(a) The incurrence of an Incremental Facility must have been approved by the Simple Majority RFA/NMFA Lenders.

(b) The incurrence and utilisation in full of an Incremental Facility must not cause the Incremental Facility Cap to be exceeded.

(c) Each Incremental Facility shall be incurred for the purpose of funding:

(i) capital expenditure and operating expenses on designated Drilling Unit(s) to equip such Drilling Unit(s) for charter contracts with agreed day rates greater than the day rates projected in the Base Case Model for the relevant year(s) and type(s) of Drilling Unit(s); and/or

(ii) ESG related expenditure on designated Drilling Unit(s) to equip such Drilling Unit(s) for extension of existing charter contract(s) on more favourable economic terms than under the relevant existing charter contract(s); and/or

(iii) any payments (including funding of cash collateral) under or in respect of any non-speculative hedging arrangement entered into for the purpose of commodity hedging and/or hedging foreign exchange exposures and/or hedging interest rates, in each case in respect of any designated Drilling Unit the subject of sub-paragraphs (i) or (ii) above.

(d) Unless otherwise consented to by the Simple Majority RFA/NMFA Lenders, the total debt service of any Incremental Facility (including all interest, principal repayments and voluntary prepayments made) shall not exceed 90% of the additional net cash flow generated from the relevant Drilling Unit(s) as a result of the investment made with the funds from such Incremental Facility in such designated Drilling Unit(s).

(e) Each Incremental Facility shall rank *pari passu* (as to payment and the proceeds of enforcement of Transaction Security) with the Term Loan Facility and the Revolving Facility.

(f) No Incremental Facility shall benefit from any additional guarantees or security other than those provided in favour of the Senior Secured Finance Parties pursuant to the Senior Secured Finance Documents.

(g) The creditor representative under each Incremental Facility (if not already party in such capacity) shall accede to the Intercreditor Agreement in its capacity as a "Creditor Representative".

(h) To the extent any of the terms (including, but not limited to, pricing, maturity, amortisation, weighted average life and prepayment rights (including associated fees)) of the proposed Incremental Facility will be more favourable for the lenders under such Incremental Facility than those applicable to the Term Loan Facility and the Revolving Facility:

(i) the Borrower shall promptly inform the Agent of such favourable terms in reasonable detail;

(ii) such favourable terms shall, unless the Majority Lenders consent otherwise, be deemed incorporated mutatis mutandis into this Agreement, effective as of the date when such favourable terms become effective between the Obligors and the Lenders under such Incremental Facility, provided however that to the extent any such favourable terms would change or have the effect of changing any term governed by Schedule 14 (*Common Terms*), any such relevant term shall, unless the Majority Senior Lenders consent otherwise, also be deemed incorporated mutatis mutandis into the Senior Facility Agreement; and

(iii) the Obligors shall enter into any additional agreement, amendment or addendum to this Agreement (and, if required by paragraph (ii) above, the Senior Facility Agreement) as reasonably requested by the Agent (and, if required by paragraph (ii) above, the agent under the Senior Facility Agreement) in order to evidence the incorporation of such more favourable terms together with any reporting requirements.

1.6 Conditions to establishment

(a) The establishment of an Incremental Facility will only be effected in accordance with Clause 7.7 (*Establishment of Incremental Facility*) if:

(i) on the date of the Incremental Facility Notice and on the Establishment Date:

(A) no Default is continuing or would result from the establishment of the proposed Incremental Facility; and

(B) the Repeating Representations to be made by each Obligor are true in all material respects by reference to the facts and circumstances then subsisting;

(ii) each Incremental Facility Lender delivers an Incremental Facility Lender Certificate to the Agent and the Obligors' Agent; and

(iii) the Agent has received in form and substance satisfactory to it:

(A) such documents (if any) as are reasonably necessary as a result of the establishment of that Incremental Facility to maintain the effectiveness of the Security, guarantees, indemnities and other assurance against loss provided to the Finance Parties pursuant to the Finance Documents; and

(B) any applicable Incremental Facility Supplemental Security.

(b) Paragraph (a)(iii)(A) above shall be subject to the Security Principles to the same extent that the relevant Obligor's obligation to grant the relevant Security, guarantee, indemnity or other assurance against loss was subject to the Security Principles.

(c) The Agent shall notify the Obligors' Agent and the Lenders promptly upon being satisfied under paragraph (a)(iii) above.

(d) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (c) above, the

Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

1.7 Establishment of Incremental Facility

(a) If the conditions set out in this Agreement have been met the establishment of an Incremental Facility is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Incremental Facility Notice. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Incremental Facility Notice appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Incremental Facility Notice.

(b) The Agent shall only be obliged to execute an Incremental Facility Notice delivered to it by the Obligors' Agent once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the establishment of the relevant Incremental Facility.

(c) On the Establishment Date:

(i) subject to the terms of this Agreement the Incremental Facility Lenders make available a Base Currency term loan facility in an aggregate amount equal to the Total Incremental Facility Commitments specified in the Incremental Facility Notice which will be available to the Borrowers specified in the Incremental Facility Notice;

(ii) each Incremental Facility Lender shall assume all the obligations of a Lender corresponding to the Incremental Facility Commitment (the "**Assumed Incremental Facility Commitment**") specified opposite its name in the Incremental Facility Notice as if it had been an Original Lender in respect of that Incremental Facility Commitment;

(iii) each of the Obligors and each Incremental Facility Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and that Incremental Facility Lender would have assumed and/or acquired had that Incremental Facility Lender been an Original Lender in respect of the Assumed Incremental Facility Commitment;

(iv) each Incremental Facility Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Incremental Facility Lender and those Finance Parties would have assumed and/or acquired had the Incremental Facility Lender been an Original Lender in respect of the Assumed Incremental Facility Commitment; and

(v) each Incremental Facility Lender shall become a Party as a "Lender".

1.8 Notification of establishment

The Agent shall, as soon as reasonably practicable after the establishment of an Incremental Facility notify the Obligors' Agent and the Lenders of that establishment and the Establishment Date of that Incremental Facility.

1.9 Incremental Facility fees

Subject to Clause 7.5 (*Restrictions on Incremental Facility Terms and fees*) the relevant Borrower may:

(a) pay to any Incremental Facility Lender under an Incremental Facility a fee in the amount and at the times agreed between that Borrower or the Obligors' Agent and that Incremental Facility Lender in a Fee Letter; and

(b) pay to any arranger of any Incremental Facility a fee in the amount and at the times agreed between that Borrower or the Obligors' Agent and that arranger in a Fee Letter.

1.10 Incremental Facility costs and expenses

The Borrower shall promptly on demand pay the Agent and the Common Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Common Security Agent, by any Receiver or Delegate in connection with the establishment of an Incremental Facility under this Clause 7.

1.11 Prior amendments binding

Each Incremental Facility Lender, by executing an Incremental Facility Notice, confirms for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the establishment of the Incremental Facility requested in that Incremental Facility Notice became effective in accordance with this Agreement and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.

1.12 Limitation of responsibility

Clause 29.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 7 in relation to any Incremental Facility Lender as if references in that Clause to:

(a) an "**Existing Lender**" were references to all the Lenders immediately prior to the Establishment Date;

(b) the "New Lender" were references to an "Incremental Facility Lender"; and

(c) a "**re-transfer**" and "**re-assignment**" were references respectively to a "**transfer**" and "**assignment**".

8. Repayment

1.1 Repayment of Term Loans

(a) The Borrowers under the Term Loan Facility shall repay the aggregate Term Loan Facility Loans in full on the Termination Date.

(b) The Borrowers under an Incremental Facility shall repay the Incremental Facility Loans under that Incremental Facility in accordance with the repayment terms set out in the Incremental Facility Notice relating to that Incremental Facility.

(c) The Borrowers may not reborrow any part of a Term Facility which is repaid.

1.2 Repayment of Revolving Facility Loans

(a) Subject to paragraph (c) below, each Borrower shall repay each Revolving Facility Loan it has drawn on the last day of its Interest Period.

(b) Without prejudice to each Borrower's obligation under paragraph (a) above, if:

(i) one or more Revolving Facility Loans are to be made available to a Borrower:

(A) on the same day that a maturing Revolving Facility Loan is due to be repaid by that Borrower; and

(B) in whole or in part for the purpose of refinancing the maturing Revolving Facility Loan; and

(ii) the proportion borne by each Lender's participation in the maturing Revolving Facility Loan to the amount of that maturing Revolving Facility Loan is the same as the proportion borne by that Lender's participation in the new Revolving Facility Loans to the aggregate amount of those new Revolving Facility Loans,

the aggregate amount of the new Revolving Facility Loans shall, unless the relevant Borrower or the Obligors' Agent notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Revolving Facility Loan so that:

(A) if the amount of the maturing Revolving Facility Loan exceeds the aggregate amount of the new Revolving Facility Loans:

(1) the relevant Borrower will only be required to make a payment under Clause 35.1 (*Payments to the Agent*) in an amount in the relevant currency equal to that excess; and

(2) each Lender's participation in the new Revolving Facility Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Revolving Facility Loan and that Lender will not be required to make a payment under Clause 35.1 (*Payments to the Agent*) in respect of its participation in the new Revolving Facility Loans; and

(B) if the amount of the maturing Revolving Facility Loan is equal to or less than the aggregate amount of the new Revolving Facility Loans:

(1) the relevant Borrower will not be required to make a payment under Clause 35.1 (*Payments to the Agent*); and

(2) each Lender will be required to make a payment under Clause 35.1 (*Payments to the Agent*) in respect of its participation in the new Revolving Facility Loans only to the extent that its participation in the new Revolving Facility Loans exceeds that Lender's participation in the maturing Revolving Facility Loan and the remainder of that Lender's participation in the new Revolving Facility Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Revolving Facility Loan.

(c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Revolving Facility Loans then outstanding will be automatically extended to the Termination Date applicable to the Revolving Facility and will be treated as separate Revolving Facility Loans (the "**Separate Loans**") denominated in the currency in which the relevant participations are outstanding.

(d) If the Borrower makes a prepayment of a Revolving Facility Utilisation pursuant to Clause 9.4 (*Voluntary prepayment of Revolving Facility Utilisations*), a Borrower to whom a Separate Loan is outstanding may prepay that Loan by giving not less than 5 Business Days' prior notice to the Agent. The proportion borne by the amount of the prepayment of the Separate Loan to the amount of the Separate Loans shall not exceed the proportion borne by the amount of the prepayment of the Revolving Facility Utilisation to the Revolving Facility Utilisations. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (d) to the Defaulting Lender concerned as soon as practicable on receipt.

(e) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Borrower by the time and date specified by the Agent (acting reasonably) and will be payable by that Borrower to the Agent (for the account of that Defaulting Lender) on the last day of each Interest Period of that Loan.

(f) The terms of this Agreement relating to Revolving Facility Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (e) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

1.3 Effect of cancellation and prepayment on scheduled repayments and reductions

(a) If the Obligors' Agent cancels the whole or any part of any Available Commitment in accordance with Clause 9.5 (*Right of cancellation and repayment in relation to a single Lender*) or Clause 9.6 (*Right of cancellation in relation to a Defaulting Lender*) or if the Available Commitment of any Lender is cancelled under Clause 9.1 (*Illegality*) then (other than, in any relevant case, to the extent that any part of the relevant Available Commitment(s) so cancelled is subsequently increased pursuant to Clause 2.3 (*Increase*)), in the case of the Incremental Facility Commitments relating to an Amortising Incremental Facility, the amount of the Repayment Instalment for each Incremental Facility Repayment Date falling after that cancellation will reduce in the manner specified in the Incremental Facility Notice relating to that Incremental Facility.

(b) If the Obligors' Agent cancels the whole or any part of any Available Commitment in accordance with Clause 9.2 (*Voluntary cancellation*) or if the whole or part of any Commitment is cancelled pursuant to Clause 5.6 (*Cancellation of Commitment*) then, in the case of the Incremental Facility Commitments relating to an Amortising Incremental Facility, the amount of the Repayment Instalment for each Incremental Facility Repayment Date falling after that cancellation will reduce in the manner specified in the Incremental Facility Notice relating to that Incremental Facility.

(c) If any Amortising Incremental Facility Loan is repaid or prepaid in accordance with Clause 9.5 (*Right of cancellation and repayment in relation to a single Lender*) or Clause 9.1 (*Illegality*) then, other than to the extent that any part of the relevant Commitment is subsequently increased pursuant to Clause 2.3 (*Increase*), the amount of the Repayment Instalments for the relevant Incremental Facility for each Incremental Facility Repayment Date falling after that repayment or prepayment will reduce in the manner specified in the Incremental Facility Notice relating to that Incremental Facility.

(d) If any Amortising Incremental Facility Loan is prepaid in accordance with Clause 9.3 (*Voluntary prepayment of Term Loans*) or Clause 10 (*Mandatory Prepayment and Cancellation*) then the amount of the Repayment Instalment for each Incremental Facility Repayment Date falling after that prepayment will reduce in the manner specified in the Incremental Facility Notice relating to that Incremental Facility.

9. Illegality, Voluntary Prepayment and Cancellation

1.1 Illegality

Each Obligor shall comply with the terms of clause 2.3 (*Illegality*) of Schedule 14 (*Common Terms*) from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

1.2 Voluntary cancellation

(a) The Obligors' Agent may, if it gives the Agent not less than 5 Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of USD 1,000,000) of an Available Facility. Any cancellation under this Clause 9.2 shall reduce the Commitments of the Lenders rateably under that Facility.

(b) Revolving Facility Commitments shall only be cancelled if the Term Loans (taken as a whole) are prepaid in amounts which reduce the Term Loans by the same proportion.

(c) Any notice of cancellation of the Available Commitments with respect to the Revolving Facility delivered at any time while Loans under any other Facility remain outstanding and/or other Commitments remain uncancelled must be accompanied by evidence, in form and substance satisfactory to the Majority Lenders, that the Group will have sufficient working capital facilities available to it following such cancellation.

1.3 Voluntary prepayment of Term Loans

(a) Subject to paragraph (c) below (and, in the case of an Incremental Facility Loan, subject to paragraph (d) of Clause 7.5 (*Restrictions on Incremental Facility Terms and fees*)), the Borrower may, if it or the Obligors' Agent gives the Agent not less than five (5) RFR Banking Days' (or such shorter period as the Majority Lenders and the Agent may agree) prior notice, prepay the whole or any part of a Term Loan (but, if in part, being an amount that reduces the Base Currency Amount of that Term Loan by a minimum amount of USD 1,000,000).

(b) A Term Loan may only be prepaid after the last day of the Availability Period for the applicable Facility (or, if earlier, the day on which the applicable Available Facility is zero).

(c) Term Loans shall only be prepaid if the Revolving Facility Loans (taken as a whole) are prepaid in amounts which permanently reduce the Revolving Facility by the same proportion.

1.4 Voluntary prepayment of Revolving Facility Utilisations

The Borrower to which a Revolving Facility Utilisation has been made may, if it or the Obligors' Agent gives the Agent not less than five (5) RFR Banking Days' (or such shorter period as the Majority Lenders and the Agent may agree) prior notice, prepay the whole or any part of a Revolving Facility Utilisation (but if in part, being an amount that reduces the Base Currency Amount of the Revolving Facility Utilisation by a minimum amount of USD 1,000,000).

1.5 Right of cancellation and repayment in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 16.2 (*Tax gross-up*); or

(ii) any Lender claims indemnification from the Obligors' Agent or an Obligor under Clause 16.3 (*Tax indemnity*) or Clause 17.1 (*Increased Costs*),

the Obligors' Agent may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment(s) of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations.

(b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Available Commitment(s) of that Lender shall be immediately reduced to zero.

(c) On the last day of each Interest Period which ends after the Obligors' Agent has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Obligors' Agent in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents and that Lender's corresponding Commitment(s) shall be immediately cancelled in the amount of the participations repaid.

1.6 Right of Cancellation in Relation to a Defaulting Lender

(a) If any Lender becomes a Defaulting Lender, the Obligors' Agent may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent 15 Business Days' notice of cancellation of each Available Commitment of that Lender.

(b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall be immediately reduced to zero.

(c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the lenders.

10. Mandatory Prepayment and Cancellation

Each Obligor shall comply with the terms of clause 2 (*Mandatory Prepayment and Cancellation*) of Schedule 14 (*Common Terms*) from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

11. Restrictions

1.1 Notices of cancellation or prepayment

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 9 (*Illegality, voluntary prepayment and cancellation*), Clause 10 (*Mandatory Prepayment and Cancellation*) shall (subject to the terms of those Clauses) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

1.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to Clause 15.3 (*Exit fee*), Clause 15.4 (*Prepayment fees*) and any Break Costs, without premium or penalty.

1.3 No reborrowing of Term Facilities

No Borrower may reborrow any part of a Term Facility which is prepaid.

1.4 Reborrowing of Revolving Facility

Unless a contrary indication appears in this Agreement, any part of the Revolving Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

1.5 Prepayment in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

1.6 No reinstatement of Commitments

Subject to Clause 2.3 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

1.7 Agent's receipt of notices

If the Agent receives a notice under Clause 9 (*Illegality, Voluntary Prepayment and Cancellation*) or a notice or election under Clause 10 (*Mandatory Prepayment and Cancellation*), it shall promptly forward a copy of that notice or election to either the Obligors' Agent or the affected Lender, as appropriate.

1.8 Prepayment elections

(a) The Agent shall notify the Lenders as soon as possible of any proposed prepayment of any Term Loans under Clause 9.3 (*Voluntary prepayment of Term Loans*) or Clause 10 (*Mandatory Prepayment and Cancellation*). A Lender may, if it gives the Agent not less than 5 Business Days' prior notice, elect to waive all or a specified part of its share of such a prepayment of the Term Loan Facility or a Waivable Bullet Incremental Facility if the entire amount is accepted by other Lenders participating in the Term Loan Facility or any Incremental Facility (as applicable) in prepayment of their Term Loan Facility Loans or Incremental Facility Loans (pro rata between such accepting Lenders participating in the relevant Term Facility).

(b) Notwithstanding anything to the contrary herein, no Lender may waive all or a specified part of its share of a prepayment of any Term Loan under paragraph (a)

above if such prepayment is made in accordance with Clause 9.3 (*Voluntary prepayment of Term Loans*) and gives rise to a full repayment of all outstanding Loans under the relevant Term Loan Facility.

1.9 Effect of repayment and prepayment on Commitments

If all or part of any Lender's participation in a Utilisation under a Facility is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of that Lender's Commitment (equal to the Base Currency Amount of the amount of the participation which is repaid or prepaid) in respect of that Facility will be deemed to be cancelled on the date of repayment or prepayment.

1.10 Application of prepayments

Any prepayment of a Utilisation (other than a prepayment pursuant to Clause 9.1 (*Illegality*) or Clause 9.5 (*Right of cancellation and repayment in relation to a single Lender*)) shall be applied *pro rata* to each Lender's participation in that Utilisation.

12. Interest

1.1 Calculation of interest

(a) The rate of interest on each Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(i) Margin; and

(ii) the Compounded Reference Rate for that day.

(b) If any day during an Interest Period for a Loan is not a RFR Banking Day, the rate of interest on that Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

1.2 Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period.

1.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is two per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 12.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

1.4 Notification of rates of interest

(a) The Agent shall promptly upon a Compounded Rate Interest Payment being determinable notify:

(i) the relevant Borrower (or the Obligors' Agent) of that Compounded Rate Interest Payment;

(ii) each relevant Lender of the proportion of that Compounded Rate Interest Payment which relates to that Lender's participation in the relevant Loan; and

(iii) the relevant Lenders and the relevant Borrower (or the Obligors' Agent) of:

(A) each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment; and

(B) to the extent it is then determinable, the Market Disruption Rate (if any) relating to the relevant Loan.

This paragraph (a) shall not apply to any Compounded Rate Interest Payment determined pursuant to Clause 14.3 (*Cost of funds*).

(b) The Agent shall promptly notify the relevant Borrower (or the Obligors' Agent) of each Funding Rate relating to a Loan.

(c) The Agent shall promptly notify the relevant Lenders and the relevant Borrower of the determination of a rate of interest relating to a Loan to which Clause 14.3 (*Cost of funds*) applies.

(d) This Clause 12.4 shall not require the Agent to make any notification to any Party on a day which is not a Business Day.

1.5 SOFR Term Rates

(a) The Borrower notes the announcement made by the Alternative Reference Rates Committee on 29 July 2021 that it is formally recommending CME Group's SOFR Term Rates and the announcement made by the Alternative Reference Rates Committee on 21 July 2021 of conventions and recommended best practices for the use of forward-looking Secured Overnight Financing Rates ("**SOFR Term Rates**").

(b) The Borrower is monitoring market developments with respect to the use of SOFR Term Rates and reserves the right (but without any obligation of any sort to do so) to (at any time and at the cost of the Borrower) seek consent of the Agent (in its own capacity) and the Agent (acting on the instructions of the Majority Lenders) to amend this Agreement:

(i) pursuant to Clause 41.6 (*Changes to reference rates*); or

(ii) otherwise in circumstances where the Borrower considers in good faith that the use of SOFR Term Rates has become established practice in the European loan market,

to use SOFR Term Rates for the calculation of interest for Loans and Unpaid Sums, provided in each case that notwithstanding the consent of the Agent (in its own capacity and acting on the instructions of the Majority Lenders), no such amendment to this Agreement shall be made if, in relation to that amendment, a Lender has certified in writing to the Agent (with a copy to the Borrower) that at the time of the proposed amendment it is operationally unable to offer SOFR Term Rates to its borrowers generally under similar loans or facility agreements (it being acknowledged and agreed that a written and duly signed statement by a Lender to this effect will be sufficient provided that it has been delivered in respect of the amendment then proposed).

13. Interest Periods

1.1 Selection of Interest Periods and Terms

(a) A Borrower (or the Obligors' Agent on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan is a Term Loan and has already been borrowed) in a Selection Notice.

(b) Each Selection Notice for a Term Loan is irrevocable and must be delivered to the Agent by the Borrower (or the Obligors' Agent on behalf of the Borrower) to which that Term Loan was made not later than the Specified Time.

(c) If a Borrower (or the Obligors' Agent) fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will, subject to Clause 13.2 (*Changes to Interest Periods*), be three Months.

(d) Subject to this Clause 13, a Borrower (or the Obligors' Agent) may select an Interest Period of three Months or of any other period agreed between the Obligors' Agent, the Agent and all the Lenders in relation to the relevant Loan. In addition a Borrower (or the Obligors' Agent on its behalf) may select an Interest Period of:

(i) any period necessary to align the first Interest Period for a Term Loan with an interest payment date in respect of the Senior Facility;

(ii) (in relation to a Revolving Facility Loan) a period of one Month; and/or

(iii) (in relation to an Amortising Incremental Facility) a period of less than three Months, if necessary to ensure that there are Loans under that Amortising Incremental Facility (with an aggregate Base Currency Amount equal to or greater than the Repayment Instalment) which have an Interest Period ending on an Incremental Facility Repayment Date relating to the relevant Facility for the Borrowers to make the Repayment Instalment due on that date.

(e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.

(f) Each Interest Period for a Term Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

(g) A Revolving Facility Loan has one Interest Period only.

(h) No Interest Period shall be longer than six Months.

1.2 Changes to Interest Periods

(a) Prior to determining the interest rate for a Loan under an Amortising Incremental Facility, the Agent may shorten an Interest Period for any Loan under that Amortising Incremental Facility to ensure there are sufficient Loans under that Amortising Incremental Facility (with an aggregate Base Currency Amount equal to or greater than the relevant Repayment Instalment) which have an Interest Period ending on the relevant Incremental Facility Repayment Date for the Borrowers to make the relevant Repayment Instalment due on that date.

(b) If the Agent makes any of the changes to an Interest Period referred to in this Clause 13.2, it shall promptly notify the Obligors' Agent and the Lenders.

1.3 Non-Business Days

(a) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

(b) Notwithstanding paragraph (a) above, any rules specified as "Business Day Conventions" in the applicable Reference Rate Terms for a Loan or Unpaid Sum shall apply to each Interest Period for that Loan or Unpaid Sum.

1.4 Consolidation and division of Term Loans

(a) Subject to paragraph (b) below, if two or more Interest Periods:

(i) relate to:

(A) Term Loan Facility Loans made to the same Borrower; or

(B) Incremental Facility Loans made under the same Incremental Facility and to the same Borrower; and

(ii) end on the same date,

those Term Loan Facility Loans or, as the case may be, Incremental Facility Loans will, unless that Borrower (or the Obligors' Agent on its behalf) specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and

treated as, a single Term Loan Facility Loan or, as the case may be, a single Incremental Facility Loan, on the last day of the Interest Period.

(b) Subject to Clause 4.4 (*Maximum number of Utilisations*), and Clause 5.3 (*Currency and amount*) if a Borrower (or the Obligors' Agent on its behalf) requests in a Selection Notice that a Term Loan Facility Loan or an Incremental Facility Loan be divided into two or more Term Loan Facility Loans or Incremental Facility Loans, that Loan will, on the last day of its Interest Period, be so divided with Base Currency Amounts specified in that Selection Notice, having an aggregate Base Currency Amount equal to the Base Currency Amount of the Loan immediately before its division.

14. Changes to the Calculation of Interest

1.1 Interest calculation if no RFR or Central Bank Rate

If:

(a) there is no applicable RFR or Central Bank Rate for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate for an RFR Banking Day during an Interest Period for a Loan; and

(b) "*Cost of funds will apply as a fallback*" is specified in the Reference Rate Terms for that Loan,

Clause 14.3 (*Costs of Funds*) shall apply to that Loan for that Interest Period.

1.2 Market disruption

If a Market Disruption Rate is specified in the Reference Rate Terms for a Loan and before the Reporting Time for that Loan the Agent receives notifications from a Lender or Lenders (whose participations in that Loan represent fifty per cent. (50%) or more of that Loan) that its cost of funds relating to its participation in that Loan would be in excess of that Market Disruption Rate, then Clause 14.3 (*Cost of funds*) shall apply to that Loan for the relevant Interest Period.

1.3 Cost of funds

(a) If this Clause 14.3 applies to a Loan for an Interest Period, Clause 12.1 (*Calculation of interest*) shall not apply to that Loan for that Interest Period and the rate of interest on the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii) the weighted average of the rates notified to the Agent by each Lender as soon as practicable and in any event by the Reporting Time for that Loan to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in that Loan.

(b) If this Clause 14.3 applies and the Agent or the Obligors' Agent so requires, the Agent and the Obligors' Agent shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.

(c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Obligors' Agent, be binding on all Parties.

(d) If this Clause 14.3 applies but any Lender does not supply a quotation by the time specified in paragraph (a) above for the relevant Loan the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.

1.4 Notification to Obligors' Agent

If Clause 14.3 (*Cost of funds*) applies the Agent shall, as soon as is practicable, notify the Obligors' Agent.

1.5 Break Costs

(a) If an amount is specified as Break Costs in the Reference Rate Terms, the Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day prior to the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they become, or may become, payable.

15. Fees

1.1 Commitment fee

(a) RigCo or a Borrower shall pay to the Agent (for the account of each Lender) a fee in the Base Currency computed at the rate of:

(i) in relation to an Incremental Facility, the percentage rate per annum specified in the Incremental Facility Notice relating to that Incremental Facility on that Lender's Available Commitment under that Incremental Facility for the Availability Period applicable to that Incremental Facility; and

(ii) 2.80 per cent. per annum on that Lender's Available Commitment under the Revolving Facility for the Availability Period applicable to the Revolving Facility.

(b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the relevant Availability Period, on the last day of the relevant Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

1.2 Arrangement fee

RigCo or a Borrower shall pay to the Agent (for the account of each Lender) an arrangement fee in the amount and at the times agreed in a Fee Letter.

1.3 Exit fee

RigCo or a Borrower shall pay to the Agent (for the account of the Lenders and pro rata to their respective Commitments on the relevant payment, prepayment, cancellation and/or transfer date) an exit fee of 3.00 per cent. (3%) of the amount of the Commitments that are repaid or prepaid (other than in respect of any Revolving Facility Commitment which at such time remains available to be reborrowed in accordance with the terms of this Agreement) and/or cancelled on each date on which such repayment, prepayment and/or cancellation of Commitments occurs. For the avoidance of doubt, the total exit fee payable by RigCo or the relevant Borrower under this Clause 15.3 shall be an amount equal to 3.00 per cent. (3%) of the Total Commitments at the Closing Date.

1.4 Prepayment fees

(a) Subject to paragraph (b) below, if any prepayment (other than a prepayment in respect of any Revolving Facility Commitment which at such time remains available to be reborrowed in accordance with the terms of this Agreement) or cancellation (in whole or in part) of any principal amount is made:

(i) under Clause 9.2 (*Voluntary cancellation*), Clause 9.3 (*Voluntary prepayment of Term Loans*) or Clause 9.4 (*Voluntary prepayment of Revolving Facility Utilisations*); or

(ii) under Clause 10 (*Mandatory Prepayment and Cancellation*) in connection with a Material Disposal,

at any time from and including the Closing Date up to (but excluding) the date falling 36 Months after the Closing Date, then on the date of such prepayment or cancellation, in addition to all other sums required to be paid under this Agreement in connection with such prepayment or cancellation, including without limitation all accrued and unpaid interest, Break Costs and any amount payable under Clause 15.3 (*Exit fee*), the relevant Borrower shall pay to the Agent, for the account of the Lenders pro rata to their participation in the relevant Facilities at the time of prepayment, a prepayment fee equal to the amount provided for in Column B below for the applicable time period identified in Column A below, and such prepayment fee shall apply to such principal amount so prepaid or cancelled.

Column A	Column B
From and including the Closing Date up to (but excluding) the date falling 24 Months after the Closing Date (the "**First Call Date**")	The Make Whole Amount (as defined in paragraph (e) below)
From and including the First Call Date up to (but excluding) the date falling 36 Months after the Closing Date (the "**Second Call Date**")	One per cent. (1.00%) of (i) in relation to a Term Loan Facility, the principal amount being repaid and/or cancelled, or (ii) in relation to the Revolving Facility, an amount equal to the average drawn position of the Revolving Facility over the period of 12 Months ending on the date of prepayment or cancellation

(b) For the avoidance of doubt, no Borrower shall be obliged to pay a prepayment fee to any Lender pursuant to paragraph (a) above to the extent that that Lender is being prepaid:

(i) on or following the Second Call Date; or

(ii) pursuant to Clause 9.1 (*Illegality*), Clause 9.5 (*Right of cancellation and repayment in relation to a single Lender*), Clause 9.6 (*Right of cancellation in relation to a Defaulting Lender*), Clause 10 (*Mandatory Prepayment and Cancellation*) (other than in connection with a Material Disposal), Clause 41.8 (*Replacement of Lender*) or Clause 41.10 (*Replacement of a Defaulting Lender*).

(c) If any prepayment and/or cancellation (in whole or in part) of any principal amount of a Loan is made in connection with a Change of Control pursuant to Clause 10 (*Mandatory Prepayment and Cancellation*) prior to the Second Call Date, then on the date of such prepayment and/or cancellation, in addition to all other sums required to be paid under this Agreement in connection with such prepayment, including without limitation all accrued and unpaid interest, the relevant Borrower shall pay to the Agent, for the account of the relevant Lender(s), a prepayment fee equal to one per cent (1.00%) of the principal amount being repaid or cancelled.

(d) The Make Whole Amount shall be calculated by the Agent or on behalf of the Agent by such person as the Agent shall designate with the Agent and its delegate (if any) acting reasonably and in good faith.

(e) For the purposes of this Clause 15.4:

"**Make Whole Amount**" means an amount equal to the excess (to the extent positive) of:

(i) the present value on the date of such prepayment or cancellation (the "**Prepayment Date**") of (x) 102 per cent. of the principal amount so prepaid or cancelled (or, in the case of the Revolving Facility, an amount equal to the average drawn position of the Revolving Facility over the period of 12 Months ending on the Prepayment Date) (the "**Prepayment Amount**") plus (y) all required and scheduled interest payments that would otherwise have accrued or been due on the Prepayment Amount from (and including) the Prepayment Date to (and excluding) the First Call Date computed upon the Prepayment Date using a discount rate equal to the Treasury Rate at such Prepayment Date plus fifty (50) basis points, with the Compounded Reference Rate and Credit Adjustment Spread to be calculated assuming Interest Periods of three (3) Months (or such shorter period which corresponds to the period from (and including) the Prepayment Date to (and excluding) the First Call Date) and to be no less than zero (0.00) per cent.; over

(ii) the principal amount of the Prepayment Amount.

"**Material Disposal**" means a sale or disposal (whether voluntary or involuntary) in a single transaction or a series of related transactions of Drilling Unit(s) or Drilling Unit Owner(s) with a Market Value representing 25 per cent. or more of the aggregate Market Value (as determined in accordance with the definition of Market Value set out above) of all Drilling Units.

"**Treasury Rate**" means a rate equal to the then current yield to maturity on actively traded U.S. Treasury securities having a constant maturity and having a duration equal to (or the nearest available tenor) the period from the Prepayment Date (as defined above) to the First Call Date as determined by the Agent or its delegate.

(f) All parties to this Agreement (other than the Agent and the Common Security Agent) agree and acknowledge that a payment, prepayment, repayment or cancellation of or recovery in respect of a Loan and/or Facility in the circumstances referred to in paragraph (a) above shall cause commercial harm to the interests of the Lenders under such Loan and/or Facility, and the prepayment premia payable pursuant to this Clause: (x) constitute reasonable and proportionate compensation for such harm, (y) are the product of an arm's length transaction between sophisticated parties having received independent legal advice and (z) are payable notwithstanding the then prevailing market conditions at the time payment of the prepayment premia is made. Each Obligor expressly waives (to the fullest extent permitted by law) the provisions of any present or future law which prohibits or may prohibit the collection of the prepayment premia in any of the circumstances set out in the aforementioned Clause 15.4.

(g) Notwithstanding any other provision of Clause 10 (*Mandatory Prepayment and Cancellation*) or this paragraph (g), in determining the amount of any mandatory prepayment to be made pursuant to Clause 10 (*Mandatory Prepayment and Cancellation*), the amount of any exit fee payable under Clause 15.3 (*Exit fee*) and the amount of any prepayment fee payable under Clause 15.4 (*Prepayment fees*) in relation to that mandatory prepayment is to be taken into account when calculating the amount prepayable so that the amount required to be prepaid plus the applicable exit fee and the applicable prepayment fee does not exceed the proceeds available to the Group arising from the matter that has triggered the mandatory prepayment. For the avoidance of doubt, notwithstanding this paragraph (g), the exit fee and the prepayment fee payable in respect of any prepaid and/or cancelled commitments will

remain to be calculated in accordance with Clause 15.3 (*Exit fee*) and/or Clause 15.4 (*Prepayment fees*) as applicable.

1.5 Agency fee

RigCo or a Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

1.6 Common Security Agent fee

RigCo or a Borrower shall pay to the Common Security Agent (for its own account) a security agent fee in the amount and at the times agreed in a Fee Letter.

1.7 Interest, commission and fees on Ancillary Facilities

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower of that Ancillary Facility based upon normal market rates and terms.

16. Tax Gross-Up And Indemnities

1.1 Definitions

In this Agreement:

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 16.2 (*Tax gross-up*) or a payment under Clause 16.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 16 a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

1.2 Tax gross-up

(a) Each Obligor shall make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Obligors' Agent shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Obligors' Agent and that Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor (including, for the avoidance of doubt and without prejudice to the generality of the foregoing, as a result of a change of tax residence, jurisdiction, organisation, centre of main interest and/or establishment of an Obligor and/or the accession of a Replacement Borrower and/or the replacement of the Original Borrower with a Replacement Borrower):

(i) the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required; and

(ii) that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(d) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

1.3 Tax indemnity

(a) RigCo or a Borrower shall (within three Business Days of demand by the Agent) pay to the Agent for the account of the relevant Finance Party an amount equal to the loss, liability or cost which a Finance Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by such Finance Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 16.2 (*Tax gross-up*); or

(B) relates to a FATCA Deduction required to be made by a Party.

1.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

1.5 Stamp taxes

RigCo or a Borrower shall pay and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document (other than in relation to any assignment or transfer of rights and/or obligations under the Finance Documents, save where such assignment or transfer is made (i) at the request of an Obligor or the Obligors' Agent, (ii) pursuant to Clause 19.1 (*Mitigation*) or (iii) following an Event of Default which is continuing).

1.6 VAT

(a) All amounts set out, or expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is

chargeable on that supply, and accordingly if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to the Agent for the account of such Finance Party (in addition to the amount required pursuant to the Finance Documents) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

(b) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(c) Any reference in this Clause 16.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994 or other similar member of such group at such time for VAT purposes).

(d) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

1.7 FATCA information

(a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where

paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

1.8 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Obligors' Agent and the Agent and the Agent shall notify the other Finance Parties.

17. Increased Costs

1.1 Increased Costs

(a) Subject to Clause 17.3 (*Exceptions*), RigCo or a Borrower shall, upon demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law, regulation or treaty or any directive of any monetary authority (whether or not having the force of law) (including, but not limited to any laws and regulations implementing new or modified capital adequacy requirements), (ii) compliance with any law or regulation made after the Closing Date, or (iii) any change in (or in the interpretation, administration or application of) the implementation or application of or compliance with Basel III or any other law or regulation which implements Basel III and CRD IV, provided that, in the case of (iii), the relevant Finance Party confirms to the Borrower and the Agent that it is seeking to recover such costs to a similar extent from its borrowers generally (where the facilities extended to such borrowers include a right for the relevant Finance Party to recover such costs) (it being acknowledged and agreed that a written and duly signed statement by a Finance Party to this effect will be sufficient, and that a Finance Party will not be required to provide any further evidence or otherwise substantiate its position concerning Basel III or CRD IV costs).

(b) In this Agreement:

(i) "**Basel III**" means:

(A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

(ii) "**CRD IV**" means:

(A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; and

(B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

(iii) "**Increased Costs**" means:

(A) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or an Ancillary Commitment or funding or performing its obligations under any Finance Document.

1.2 Increased Cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 17.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Obligors' Agent.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

1.3 Exceptions

(a) Clause 17.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) attributable to a FATCA Deduction required to be made by a Party;

(iii) compensated for by Clause 16.3 (*Tax indemnity*) (or would have been compensated for under Clause 16.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 16.3 (*Tax indemnity*) applied); or

(iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

(b) In this Clause 17.3 reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 16.1 (*Definitions*).

18. Other Indemnities

1.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

1.2 Other indemnities

RigCo shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:

(a) the occurrence of any Event of Default;

(b) any Environmental Claim arising out of any property or facility or any operations of the Group;

(c) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 34 (*Sharing among the Finance Parties*);

(d) funding, or making arrangements to fund, its participation in a Utilisation requested by the Obligors' Agent or a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(e) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Obligors' Agent.

1.3 Indemnity to the Agent

RigCo shall promptly indemnify the Agent against:

(a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(i) investigating any event which it reasonably believes is a Default;

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

(iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and

(b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 35.11 (*Disruption to payment systems etc*.) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents.

19. Mitigation by the Lenders

1.1 Mitigation

(a) Each Finance Party shall, in consultation with the Obligors' Agent, take all reasonable steps to mitigate any circumstances which arise and which would result in any Facility ceasing to be available or any amount becoming payable under or

pursuant to, or cancelled pursuant to, any of Clause 9.1 (*Illegality*), Clause 16 (*Tax gross-up and indemnities*) or Clause 17 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

1.2 Limitation of liability

(a) RigCo or a Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 19.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 19.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

20. Costs And Expenses

1.1 Transaction expenses

RigCo or a Borrower shall, promptly on demand, pay the Agent and the Common Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and, in the case of the Common Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Finance Documents executed after the date of this Agreement.

1.2 Amendment costs

If:

(a) an Obligor requests an amendment, waiver or consent; or

(b) an amendment is required pursuant to Clause 35.10 (*Change of currency*),

RigCo or a Borrower shall, within three Business Days of demand, reimburse each of the Agent and the Common Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent and the Common Security Agent (and, in the case of the Common Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

1.3 Enforcement and preservation costs

RigCo or a Borrower shall, within three Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Common Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

21. Guarantee and Indemnity

1.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 21 if the amount claimed had been recoverable on the basis of a guarantee.

1.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

1.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 21 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

1.4 Waiver of defences

The obligations of each Guarantor under this Clause 21 will not be affected by an act, omission, matter or thing which, but for this Clause 21, would reduce, release or prejudice any of its obligations under this Clause 21 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

1.5 Guarantor intent

Without prejudice to the generality of Clause 21.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any

(however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

1.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 21. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

1.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 21.

1.8 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 21:

(a) to be indemnified by an Obligor;

(b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 21.1 (*Guarantee and indemnity*);

(e) to exercise any right of set-off against any Obligor; and/or

(f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 35 (*Payment mechanics*).

1.9 Release of Guarantors' right of contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

(a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and

(b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

1.10 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

1.11 Norwegian law limitations

(a) Notwithstanding anything to the contrary in this Agreement or any Finance Documents, including this Clause 21, none of the obligations of a Guarantor incorporated in Norway assumed or to be assumed, performed or to be performed by it under this Agreement shall apply to any indebtedness, obligations or liability which, if they did so extend, would cause an infringement of Sections 8-10 and 8-7, cf. sections 1-3, 1-4 and 1-5, or any of the other provisions in Chapter 8 III of the Norwegian Limited Companies Act regarding the ability of a Norwegian limited liability company to grant loans, guarantees or security in favour of or on behalf of shareholders or other group companies. The obligations of a Guarantor incorporated in Norway shall however be interpreted as to include as much as possible without contravening the limitations of the Norwegian Limited Companies Act.

(b) Each Guarantor incorporated in Norway confirms that the obligations assumed or to be assumed, performed or to be performed by it under this Agreement are not made in breach of the limitations set out in paragraph (a) above, and that such obligations remain in full force and effect.

22. Security

Each Obligor shall comply with the terms of clause 3 (*Security*) of Schedule 14 (*Common Terms*) from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23. Representations

Each Obligor makes the representations and warranties set out in clause 4 (*Representations and Warranties*) of Schedule 14 (*Common Terms*) to each Finance Party at the times set forth therein.

24. Information Undertakings

Each Obligor shall comply with the information undertakings set out in clause 5 (*Information Undertakings*) of Schedule 14 (*Common Terms*) from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

25. Financial Covenants

Each Obligor shall comply with the financial covenants set out in clause 6 (*Financial Covenants*) of Schedule 14 (*Common Terms*) from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

26. Undertakings

(a) Each Obligor shall comply with the covenants set out in clause 7 (*Undertakings*) of Schedule 14 (*Common Terms*) from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

(b) Until the Facilities have been repaid and discharged in full, the Obligors' Agent shall not, and shall procure that no member of the Group will, make any voluntary prepayment of any principal amount outstanding under the Senior Facility other than to the extent:

(i) RigCo Ongoing Liquidity is equal to or greater than USD 500,000,000; and

(ii) the Asset Coverage Threshold is met,

in each case calculated on a pro forma basis for the relevant prepayment.

27. Drilling Unit Covenants

Each Obligor shall comply with the undertakings set out in clause 8 (*Drilling Unit Covenants*) of Schedule 14 (*Common Terms*) from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

28. Events of Default

1.1 Events of Default

Each of the events or circumstances set out in clause 9 (*Events of Default*) of Schedule 14 (*Common Terms*) is an Event of Default.

1.2 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders:

(a) by notice to the Obligors' Agent:

(i) cancel each Available Commitment of each Lender and/or each Ancillary Commitment of each Ancillary Lender at which time each such Available Commitment and Ancillary Commitment shall immediately be cancelled and each Facility shall immediately cease to be available for further utilisation;

(ii) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;

(iii) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;

(iv) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable, at which time they shall become immediately due and payable; and/or

(v) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or

(b) exercise or direct the Common Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

1.3 Automatic Acceleration

Notwithstanding Clause 28.2 (*Acceleration*), if any Obligor or Security Provider commences a voluntary case concerning itself under the US Bankruptcy Code, or an involuntary case is commenced under the US Bankruptcy Code against any Obligor or Security Provider and the petition is not controverted within ten (10) days, or is not dismissed within forty five (45) days after commencement of the case, or a custodian (as defined in the US Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of any Obligor or Security Provider, or any order of relief or other order approving any such case or proceeding is entered, the Facility shall cease to be available to such Obligor or Security Provider and all obligations of such Obligor under Clause 21 (*Guarantee and Indemnity*) or any other provision of this Agreement or any other Finance Document to which such Obligor or Security Provider is a party shall become immediately due and payable, in each case automatically and without any further action by any Party.

29. Changes to the Lenders

1.1 Assignments and transfers by the Lenders

Subject to this Clause 29 and to Clause 30 (*Restriction on Debt Purchase Transactions*), a Lender (the "**Existing Lender**") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund, insurer, reinsurer or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**").

1.2 Conditions of assignment or transfer

(a) An assignment or transfer by an Existing Lender of any of its rights and/or obligations under the Revolving Facility may only be made to a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency and in relation to which no Insolvency Event has occurred and is continuing, unless the assignment or transfer is:

(i) to another Lender or an Affiliate of any Lender;

(ii) to a fund which is a Related Fund of that Existing Lender; or

(iii) made at a time when an Event of Default is continuing.

(b) An assignment or transfer of a Lender's participation in respect of any of the Commitments or Utilisations made under the Facilities must be (when aggregated with all related assignments and transfers by its Affiliates and Related Funds to the same transferee or that transferee's Affiliates and Related Funds) in a minimum amount of USD 1,000,000 or, if less, an amount equal to the aggregate Commitments or Utilisations of that Lender and its Affiliates and Related Funds, provided that an Existing Lender may assign or transfer its Commitments or Utilisations to any of its Affiliates and Related Funds or any other Existing Lender in any amount (but those

Affiliates and Related Funds will, for the avoidance of doubt, be subject to this paragraph (b) upon becoming a Lender).

(c) An assignment will only be effective on:

(i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it had been an Original Lender; and

(ii) performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(d) A transfer will only be effective if the procedure set out in Clause 29.5 (*Procedure for transfer*) is complied with.

(e) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 17 (*Increased Costs*) or Clause 16 (*Tax Gross-Up and Indemnities*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under that Clause to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

(f) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

1.3 Assignment or transfer fee

(a) Subject to paragraph (b) below, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of USD 3,500.

(b) No fee is payable pursuant to paragraph (a) above if:

(i) the Agent agrees that no fee is payable; or

(ii) the assignment or transfer is made by an Existing Lender:

(A) to an Affiliate of that Existing Lender; or

(B) to a fund which is a Related Fund of that Existing Lender.

1.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Senior Secured Finance Documents, the Transaction Security or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Senior Secured Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Senior Secured Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Senior Secured Finance Document or the Transaction Security; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 29; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Senior Secured Finance Documents or otherwise.

1.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) Subject to Clause 29.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other

member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Common Security Agent, the New Lender, the other Lenders and any relevant Ancillary Lender shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Common Security Agent and any relevant Ancillary Lender and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

1.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) Subject to Clause 29.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 29.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 29.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*).

1.7 Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Obligors' Agent

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Increase Confirmation, send to the Obligors' Agent a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

1.8 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 29, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of

its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

1.9 *Pro rata* interest settlement

(a) If the Agent has notified the Lenders that it is able to distribute interest payments on a "*pro rata* basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 29.5 (*Procedure for transfer*) or any assignment pursuant to Clause 29.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period; and

(ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

(A) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and

(B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 29.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

(b) In this Clause 29.9 references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.

(c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 29.9 but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

30. Restriction on Debt Purchase Transactions

1.1 Prohibition on Debt Purchase Transactions by the Group

The Obligors' Agent shall not, and shall procure that each other member of the Group shall not, enter into any Debt Purchase Transaction or beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of "Debt Purchase Transaction".

1.2 Disenfranchisement of Shareholders

If:

(a) any Lender;

(b) any Affiliate of a Lender; or

(c) any other person acting in concert with such Lender or Affiliate,

is or becomes the legal or beneficial owner (directly or indirectly) of voting rights and/or share capital constituting more than twenty per cent (20%) of the voting rights and/or share capital in any member of the Group or a Holding Company of the Group (excluding any voting rights and/or share capital legally or beneficially owned on the Closing Date by a Backstop Party who was a Lender or an Affiliate of a Lender on the Closing Date):

(i) such Lender shall promptly notify the Agent and the Obligors' Agent in writing; and

(ii) such Lender's Commitments and/or participation shall not be included for the purposes of calculating the Total Commitments or participations under the Facilities when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments and/or participations has been obtained to approve any request.

31. Changes to the Obligors

Each Obligor and Security Provider shall comply with the terms of, and shall have the rights set out in, clause 10 (*Changes to the Obligors*) of Schedule 14 (*Common Terms*) from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

32. Role of The Agent and Others

1.1 Appointment of the Agent

(a) Each of the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

(c) Without prejudice to the generality of paragraphs (a) and (b) above, each of the Lenders:

(i) agrees that it will be bound by, and will take no actions contrary to, the provisions of the Intercreditor Agreement; and

(ii) authorises and instructs:

(A) the Agent to enter into the Intercreditor Agreement as a "Creditor Representative"; and

(B) the Common Security Agent to enter into the Intercreditor Agreement,

in each case on behalf of such Lenders.

1.2 Instructions

(a) The Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:

(A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision;

(B) the Incremental Facility Majority Lenders if the relevant Finance Document stipulates the matter is an Incremental Facility Majority Lender decision;

(C) the Supra Majority Lenders if the relevant Finance Document stipulates the matter is a Supra Majority Lender decision;

(D) the Simple Majority Lenders if the relevant Finance Document stipulates the matter is a Simple Majority Lender decision;

(E) the Simple Majority RFA/NMFA Lenders if the relevant Finance Document stipulates the matter is a Simple Majority RFA/NMFA Lender decision; and

(F) in all other cases, the Majority Lenders; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.

(b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties save for the Common Security Agent.

(d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

(e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

(f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

1.3 Duties of the Agent

(a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(c) Without prejudice to Clause 29.7 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Obligors' Agent*), paragraph (b) above shall

not apply to any Transfer Certificate, any Assignment Agreement or any Increase Confirmation.

(d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Common Security Agent) under this Agreement, it shall promptly notify the other Finance Parties.

(g) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

1.4 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Agent as a trustee or fiduciary of any other person.

(b) None of the Agent or any Ancillary Lender shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

1.5 Business with the Group

The Agent and each Ancillary Lender may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

1.6 Rights and discretions

(a) The Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under sub-clause 9.1 (*Non-payment*) of Schedule 14 (*Common Terms*));

(ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and

(iii) any notice or request made by the Obligors' Agent (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be desirable.

(e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Agent may act in relation to the Finance Documents through its officers, employees and agents and the Agent shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for, any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Agent's gross negligence or wilful misconduct.

(g) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(h) Without prejudice to the generality of paragraph (g) above, the Agent:

(i) may disclose; and

(ii) on the written request of the Obligors' Agent or the Majority Lenders shall, as soon as reasonably practicable, disclose,

the identity of a Defaulting Lender to the Obligors' Agent and to the other Finance Parties.

(i) Notwithstanding any other provision of any Finance Document to the contrary, the Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

1.7 Responsibility for documentation

None of the Agent or any Ancillary Lender is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, an Ancillary Lender, an Obligor or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security; or

(c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

1.8 No duty to monitor

The Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(c) whether any other event specified in any Finance Document has occurred.

1.9 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent or any Ancillary Lender), neither the Agent nor any Ancillary Lender will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Transaction Security; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Agent or an Ancillary Lender (as applicable)) may take any proceedings against any officer, employee or agent of the Agent or any Ancillary Lender, in respect of any claim it might have against the Agent or an Ancillary Lender or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Senior Secured Finance Document and any officer, employee or agent of the Agent or any Ancillary Lender may rely on this paragraph (b) subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or for any Affiliate of any Lender,

on behalf of any Lender and each Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document or the Transaction Security shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

1.10 Lenders' indemnity to the Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 35.11 (*Disruption to payment systems etc*.), notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

(b) Subject to paragraph (c) below, RigCo or a Borrower shall immediately on demand reimburse any Lender for any payment that Lender makes to the Agent pursuant to paragraph (a) above.

(c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent to an Obligor.

1.11 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the Lenders and the Obligors' Agent.

(b) Alternatively the Agent may resign by giving 30 days' notice to the Lenders and the Obligors' Agent, in which case the Majority Lenders (after consultation with the Obligors' Agent) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring

Agent (after consultation with the Obligors' Agent) may appoint a successor Agent (acting through an office in the United Kingdom).

(d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 32 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.

(e) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. RigCo or a Borrower shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

(f) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 18.3 (*Indemnity to the Agent*) and this Clause 32 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 16.7 (*FATCA information*) and the Obligors' Agent or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 16.7 (*FATCA information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Obligors' Agent and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Obligors' Agent or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Obligors' Agent or that Lender, by notice to the Agent, requires it to resign.

1.12 Replacement of the Agent

(a) After consultation with the Obligors' Agent, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent.

(b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 18.3 (*Indemnity to the Agent*) and this Clause 32 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

1.13 Confidentiality

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

1.14 Relationship with the Lenders

(a) Subject to Clause 29.9 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, e-mail address and (where communication by electronic mail or other electronic means is permitted under Clause 37.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, e-mail address, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 37.2 (*Addresses*) and paragraph (a)(ii) of Clause 37.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

1.15 Credit appraisal by the Lenders and Ancillary Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender and Ancillary Lender confirms to the Agent and each Ancillary Lender that it has been, and will continue to be, solely

responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

(c) whether that Lender or Ancillary Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

(d) the adequacy, accuracy or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

1.16 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

1.17 Reliance and engagement letters

Each Finance Party and Secured Party confirms that the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Agent) the terms of any reliance letter or engagement letters relating to any reports or letters provided by accountants, auditors, advisers or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

1.18 Agent's management time

(a) Subject to paragraph (b) below, any amount payable to the Agent under Clause 18.3 (*Indemnity to the Agent*), Clause 20 (*Costs and Expenses*) and Clause 32.10 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Obligors' Agent, and is in addition to any fee paid or payable to the Agent under Clause 15 (*Fees*). Unless a Default is continuing, the Agent shall consult with the Obligors' Agent prior to incurring any additional costs pursuant to this Clause 32.18.

(b) Paragraph (a) above shall only apply in the event of:

(i) a Default which is continuing;

(ii) the Agent being requested by the Obligors' Agent or Lenders representing the Majority Lenders to undertake duties which the Agent and the Obligors' Agent agree (each acting reasonably) to be of an exceptional nature or otherwise outside the scope of the normal duties of the Agent under the Finance Documents; or

(iii) the Agent and the Obligors' Agent (each acting reasonably) agreeing that it is otherwise appropriate in the circumstances for paragraph (a) above to apply.

1.19 Amounts paid in error

(a) If the Agent (in its capacity as such) pays an amount to another Party and the Agent notifies that Party in writing within five (5) Business Days of becoming aware of such payment that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Agent shall as soon as reasonably practicable and in any event within three (3) Business Days of written demand from the Agent refund the same to the Agent.

(b) Neither:

(i) the obligations of any Party to the Agent; nor

(ii) the remedies of the Agent,

(whether arising under this Clause 32.19 or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Agent or any other Party).

(c) All payments to be made by a Party to the Agent (whether made pursuant to this Clause 32.19 or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

(d) Any amount refunded by a Party to the Agent pursuant to paragraph (a) above shall, for the purposes of the relevant payment obligation under the Finance Documents, be treated as if it had not been received by that Party.

(e) In this Agreement, "Erroneous Payment" means a payment of an amount by the Agent to another Party, which at the time of receipt of such payment by such other Party, was received in error on the basis that it was not contractually due to it pursuant to the terms of this Agreement.

33. Conduct of Business by The Finance Parties

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

34. Sharing among The Finance Parties

1.1 Payments to Finance Parties

(a) Subject to paragraph 34.1(b) below, if a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 35 (*Payment mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

(i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in

accordance with Clause 35 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(iii) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 35.6 (*Partial payments*).

(b) Paragraph (a) above shall not apply to any amount received or recovered by an Ancillary Lender in respect of any cash cover provided for the benefit of that Ancillary Lender.

1.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 35.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

1.3 Recovering Finance Party's rights

On a distribution by the Agent under Clause 34.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

1.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and

(b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

1.5 Exceptions

(a) This Clause 34 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified the other Finance Party of the legal or arbitration proceedings; and

(ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

1.6 Ancillary Lenders

(a) This Clause 35 shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Lender at any time prior to the Agent exercising any of its rights under Clause 28.2 (*Acceleration*).

(b) Following the exercise by the Agent of any of its rights under Clause 28.2 (*Acceleration*), this Clause 34 shall apply to all receipts or recoveries by Ancillary Lenders except to the extent that the receipt or recovery represents a reduction of the Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to its Net Outstandings.

35. Payment Mechanics

1.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, excluding a payment under the terms of an Ancillary Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency and with such bank as the Agent, in each case, specifies.

1.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 35.3 (*Distributions to an Obligor*) and Clause 35.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency.

1.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 36 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

1.4 Clawback and pre-funding

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

(c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:

(i) the Agent shall notify the Obligors' Agent of that Lender's identity and the Borrower to whom that sum was made available shall on demand refund it to the Agent; and

(ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

1.5 Impaired Agent

(a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 35.1 (*Payments to the Agent*) may instead either:

(i) pay that amount direct to the required recipient(s); or

(ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**").

In each case such payments must be made on the due date for payment under the Finance Documents.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.

(c) A Party which has made a payment in accordance with this Clause 35.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent in accordance with Clause 32.12 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 35.2 (*Distributions by the Agent*).

(e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:

(i) that it has not given an instruction pursuant to paragraph (d) above; and

(ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

1.6 Partial payments

(a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

(i) **first**, in or towards payment *pro rata* of any unpaid amount owing to the Agent or the Common Security Agent under the Finance Documents;

(ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;

(iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and

(iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

1.7 Set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

1.8 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

1.9 Currency of account

(a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

1.10 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Obligors' Agent); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Obligors' Agent) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

1.11 Disruption to payment systems etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Obligors' Agent that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Obligors' Agent, consult with the Obligors' Agent with a view to agreeing with the Obligors' Agent such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Obligors' Agent in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Obligors' Agent shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 41 (*Amendments and Waivers*);

(e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 35.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

36. Set-Off

(a) A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

(b) Any credit balances taken into account by an Ancillary Lender when operating a net limit in respect of any overdraft under an Ancillary Facility shall on enforcement of the Finance Documents be applied first in reduction of the overdraft provided under that Ancillary Facility in accordance with its terms.

37. Notices

1.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by e-mail or letter.

1.2 Addresses

The address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Parent or the Obligors' Agent, that identified with its name below;

(b) in the case of each Lender, each Ancillary Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent or the Common Security Agent, that identified with its name below,

or any substitute address, e-mail address or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

1.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of e-mail, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 37.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent or the Common Security Agent will be effective only when actually received by the Agent or Common Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Common Security Agent's signature below (or any substitute department or officer as the Agent or Common Security Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent.

(d) Any communication or document made or delivered to the Obligors' Agent in accordance with this Clause 37.3 will be deemed to have been made or delivered to each of the Obligors.

(e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

1.4 Notification of address and e-mail address

Promptly upon changing its address or e-mail address, the Agent shall notify the other Parties.

1.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

1.6 Electronic communication

(a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

(b) Any such electronic communication or delivery as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.

(c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Agent or the Common Security Agent only if it is addressed in such a manner as the Agent or Common Security Agent shall specify for this purpose.

(d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 37.6.

1.7 Direct electronic delivery by Obligors' Agent

The Obligors' Agent may satisfy its obligation under this Agreement to deliver any information in relation to a Lender by delivering that information directly to that Lender in accordance with Clause 37.6 (*Electronic communication*) to the extent that Lender and the Agent agree to this method of delivery.

1.8 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

38. Calculations And Certificates

1.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

1.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

1.3 Day count convention and interest calculation

(a) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and the amount of any such interest, commission or fee is calculated:

(i) on the basis of the actual number of days elapsed and a year of 360 days (or, in any case where the practice in the Relevant Market differs, in accordance with that market practice); and

(ii) subject to paragraph (b) below, without rounding.

(b) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by an Obligor under a Finance Document shall be rounded to 2 decimal places.

39. Partial Invalidity

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

40. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party or Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

41. Amendments and Waivers

1.1 Intercreditor Agreement

This Clause 41 is subject to the terms of the Intercreditor Agreement.

1.2 Required consents

(a) Subject to Clause 41.3 (*All Lender matters*), Clause 41.4 (*Supra Majority Lenders matters*) and Clause 41.5 (*Other exceptions*), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders (provided that Supra Majority Lenders Matters (as defined in Clause 41.4 (*Supra Majority Lenders matters*)) or any matter stipulated to be subject to a Simple Majority Lender decision or a Simple Majority RFA/NMFA Lender decision, shall only require the consent of the Supra Majority Lenders, the Simple Majority Lenders or the Simple Majority RFA/NMFA Lenders (as applicable) and not the Majority Lenders) and the Obligors' Agent and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 41.

(c) Without prejudice to the generality of paragraphs (c), (d) and (e) of Clause 32.6 (*Rights and discretions*), the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.

(d) Each Obligor agrees to any such amendment or waiver permitted by this Clause 41 which is agreed to by the Obligors' Agent. This includes any amendment or waiver which would, but for this paragraph (d), require the consent of all of the Guarantors.

(e) Paragraph (c) of Clause 29.9 (*Pro rata interest settlement*) shall apply to this Clause 41.

1.3 All Lender matters

Subject to Clauses 12.5 (*SOFR Term Rates*), 41.4 (*Supra Majority Lenders matters*) and 41.6 (*Changes to reference rates*), an amendment, waiver or (in the case of a Security Document) a consent of, or in relation to, any term of any Finance Document that has the effect of changing or which relates to:

(a) the definition of "Majority Lenders" or "Incremental Facility Majority Lenders" in Clause 1.1 (*Definitions*);

(b) the definition of "Supra Majority Lenders";

(c) the definition of "Simple Majority Lenders";

(d) the definition of "Simple Majority RFA/NMFA Lenders";

(e) an extension to the date of payment of any amount under the Finance Documents;

(f) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(g) a change in currency of payment of any amount under the Finance Documents;

(h) an increase in any Commitment or the Total Commitments, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the relevant Facility;

(i) a change to the Borrowers or Guarantors other than in accordance with Clause 31 (*Changes to the Obligors*);

(j) any provision which expressly requires the consent of all the Lenders;

(k) Clause 2.4 (*Finance Parties' rights and obligations*), Clause 5.1 (*Delivery of a Utilisation Request*), this Clause 41, Clause 47 (*Governing law*) or Clause 48.1 (*Jurisdiction of English courts*);

(l) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:

(i) the guarantee and indemnity granted under Clause 21 (*Guarantee and Indemnity*);

(ii) the Charged Property; or

(iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed

(except in the case of paragraphs (ii) and (iii) above, insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document);

(m) the release of any guarantee and indemnity granted under Clause 21 (*Guarantee and Indemnity*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is permitted under this Agreement or any other Finance Document; or

(n) any amendment to the order of priority or subordination under the Intercreditor Agreement,

shall not be made, or given, without the prior consent of all the Lenders (except, in the case of paragraph (e) above, if Clause 10 (*Mandatory Prepayment and Cancellation*) specifies a different consent threshold, in which case only that consent threshold shall apply to the matters specified in that provision).

1.4 Supra Majority Lenders matters

(a) An amendment, consent to or waiver that has the effect of changing or which relates to:

(i) any term of a Finance Document which expressly requires the consent of the Supra Majority Lenders; and

(ii) this Clause 41.4

(each a "**Supra Majority Lenders Matter**") shall not be made without the prior written consent of the Supra Majority Lenders.

(b) The Agent shall communicate the result of any vote among the Lenders under this Agreement related to a Supra Majority Lenders Matter or any other matter requiring the consent of the Supra Majority Lenders to the Obligors' Agent and the Common Security Agent, and the Common Security Agent shall in turn determine whether the requisite threshold for the relevant matter has been met.

(c) The Agent shall effect, on behalf of the Finance Parties, any amendment, consent or waiver made in accordance with this Clause 41.4 and take any action and complete any documentation (satisfactory to the Supra Majority Lenders) required or desirable in order to effect such amendment, consent or waiver.

(d) Each Finance Party authorises the Agent to act or refrain from acting on the instruction of the Supra Majority Lenders in relation to this Agreement in respect of the Supra Majority Lenders Matters or any other matter where the Supra Majority Lenders may instruct the Agent under and in accordance with the terms of the applicable Finance Documents.

1.5 Other exceptions

(a) An amendment or waiver which relates to the rights or obligations of the Agent, the Common Security Agent or any Ancillary Lender (each in their capacity as such) may not be effected without the consent of the Agent, the Common Security Agent or that Ancillary Lender, as the case may be.

(b) Any amendment which relates to the rights of the Lenders to waive prepayment of the Term Loan Facility or a Waivable Bullet Incremental Facility under Clause 11.8 (*Prepayment elections*) shall not be effected without the consent of the Lenders under the Term Loan Facility or that Waivable Bullet Incremental Facility, as the case may be.

(c) Any amendment or waiver which:

(i) relates only to the rights or obligations applicable to a particular Utilisation, Facility or class of Lender; and

(ii) does not materially and adversely affect the rights or interests of Lenders in respect of any other Utilisation or Facility or another class of Lender,

may be made in accordance with this Clause 41 but as if references in this Clause 41 to the specified proportion of Lenders (including, for the avoidance of doubt, all the Lenders) whose consent would, but for this paragraph (c), be required for that amendment or waiver were to that proportion of the Lenders participating in that particular Utilisation or Facility or forming part of that particular class.

(d) Unless otherwise stated in Schedule 14 (*Common Terms*), any term of Schedule 14 (*Common Terms*) may only be amended, consented to or waived with the written consent of each of the Majority Lenders and the Majority Senior Lenders and any such amendment will be binding on all Senior Secured Finance Parties.

(e) Each of the Senior Secured Finance Parties agrees that (i) no Senior Secured Finance Party shall, in respect of the Senior Secured Finance Documents, enjoy the benefit of any additional or more restrictive (A) mandatory prepayment events (other than in respect of the Cash Sweep (as defined in the Senior Facility Agreement) and the mandatory prepayment event pursuant to clause 8.7 (*Recycling Units*) of the Senior Facility Agreement), representations and warranties, information undertakings,

financial covenants, general undertakings, drilling unit undertakings or events of default other than those set out in Schedule 14 (*Common Terms*) or, (B) guarantees or security other than those contemplated by the guarantee and security construct set out in Schedule 14 (*Common Terms*), and (ii) no Senior Secured Finance Document shall otherwise contain any additional regulation of the matters covered by Schedule 14 (*Common Terms*).

1.6 Changes to reference rates

(a) Subject to Clause 41.5 (*Other exceptions*), if a Published Rate Replacement Event has occurred in relation to any Published Rate, any amendment or waiver which relates to:

(i) providing for the use of a Replacement Reference Rate; and

(ii) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

(B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Reference Rate;

(D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or

(E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Obligors' Agent.

(b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on a Loan under this Agreement to any recommendation of a Relevant Nominating Body which:

(i) relates to the use of a risk-free reference rate on a compounded basis in the international or any relevant domestic syndicated loan markets; and

(ii) is issued after the Closing Date,

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Obligors' Agent.

(c) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) above within ten (10) Business Days (or such longer time period in relation to any request which the Obligors' Agent and the Agent may agree) of that request being made:

(i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the relevant Facility/ies when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and

(ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

1.7 Excluded Commitments

If:

(a) any Defaulting Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within fifteen (15) Business Days of that request being made;

(b) any Lender which is not a Defaulting Lender fails to respond to such a request (other than an amendment, waiver or consent referred to in paragraphs (a), (b), (c), (d) and (m) of Clause 41.3 (*All Lender matters*)) or such a vote within fifteen (15) Business Days of that request being made; or

(c) any Lender has not nominated an Information Nominee and is therefore not entitled to receive any details of such a request by virtue of the operation of Clause 41.11 (*Requests: Public Lenders*); or

(d) any Lender has only received prior notification of any such consent, waiver or amendment (but not the specific details of such consent, waiver or amendment) by virtue of its nomination of an Information Nominee who has not elected to have access to Private Lender Information pursuant to clause 5.14(e)(ii) (*Public Lenders*) of Schedule 14 (*Common Terms*),

then in each case (unless, in the case of (a) or (b) above, the Obligors' Agent and the Agent agree to a longer time period in relation to any request):

(i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the relevant Facility/ies when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and

(ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

For the purposes of this Clause 41.7 and in relation to any request for an amendment, waiver or consent from an Obligor or the Obligors' Agent pursuant to this Clause 41 which contains Private Lender Information, a Public Lender which has nominated an Information Nominee who has elected to have access to Private Lender Information pursuant to clause 5.14(e)(ii) (*Public Lenders*) of Schedule 14 (*Common Terms*) may exercise any of its rights (including voting) in relation to such request through that Information Nominee and references to "Lender" and "Public Lender" herein shall be construed accordingly (but, for the avoidance of doubt, an Information Nominee who has not elected to have access to Private Lender Information pursuant to clause 5.14(e)(ii) (*Public Lenders*) of Schedule 14 (*Common Terms*) may not exercise such rights).

1.8 Replacement of Lender

(a) If:

(i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below); or

(ii) an Obligor becomes obliged to repay any amount in accordance with Clause 9.1 (*Illegality*) or to pay additional amounts pursuant to Clause 17.1 (*Increased Costs*), Clause 16.2 (*Tax gross-up*) or Clause 16.3 (*Tax Indemnity*) to any Lender,

then the Obligors' Agent may, on five Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to an Eligible Institution (a "**Replacement Lender**") which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 29 (*Changes to the Lenders*) for a purchase price in cash

payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 29.9 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) The replacement of a Lender pursuant to this Clause 41.8 shall be subject to the following conditions:

(i) the Obligors' Agent shall have no right to replace the Agent or Common Security Agent;

(ii) neither the Agent nor the Lender shall have any obligation to the Obligors' Agent to find a Replacement Lender;

(iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 14 Business Days after the date on which that Lender is deemed a Non-Consenting Lender;

(iv) in no event shall the Lender replaced under this Clause 41.8 be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and

(v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.

(c) A Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Obligors' Agent when it is satisfied that it has complied with those checks.

(d) In the event that:

(i) the Obligors' Agent or the Agent (at the request of the Obligors' Agent) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;

(ii) the consent, waiver or amendment in question requires the approval of all of the Lenders; and

(iii) Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66⅔ per cent. of the Total Commitments prior to that reduction) have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a "**Non-Consenting Lender**".

1.9 Disenfranchisement of Defaulting Lenders

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:

(i) the Majority Lenders or the Incremental Facility Majority Lenders; or

(ii) whether:

(A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments under the relevant Facility/ies; or

(B) the agreement of any specified group of Lenders,

has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents,

that Defaulting Lender's Commitments under the relevant Facility/ies will be reduced by the amount of its Available Commitments under the relevant Facility/ies and, to the extent that that reduction results in that Defaulting Lender's Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

(b) For the purposes of this Clause 41.9, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender;

(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

1.10 Replacement of a Defaulting Lender

(a) The Obligors' Agent may, at any time a Lender has become and continues to be a Defaulting Lender, by giving five Business Days' prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;

(ii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of the undrawn Revolving Facility Commitment of the Lender; or

(iii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the Revolving Facility,

to an Eligible Institution (a "**Replacement Lender**") which confirms its willingness to assume and does assume all the obligations, or all the relevant obligations, of the transferring Lender in accordance with Clause 29 (*Changes to the Lenders)* for a purchase price in cash payable at the time of transfer which is either:

(i) in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 29.9 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents; or

(ii) in an amount agreed between that Defaulting Lender, the Replacement Lender and the Obligors' Agent and which does not exceed the amount described in paragraph (i) above.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 41.10 shall be subject to the following conditions:

(i) the Obligors' Agent shall have no right to replace the Agent or Common Security Agent;

(ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Obligors' Agent to find a Replacement Lender;

(iii) the transfer must take place no later than 90 days after the notice referred to in paragraph (a) above;

(iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and

(v) the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.

(c) The Defaulting Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Obligors' Agent when it is satisfied that it has complied with those checks.

1.11 Requests: Public Lenders

(a) If an Obligor (or the Obligors' Agent) wishes to request an amendment, waiver or consent from the Lenders (or any of them) pursuant to this Clause 41, that Obligor or the Obligors' Agent shall first give at least three (3) Business Days' notice via the Agent to each Lender (other than a Public Lender) and each Information Nominee of its intention to request an amendment, waiver or consent (without specifying what amendment, waiver or consent will be sought) and confirm whether the relevant amendment, waiver or consent will be sent to Public Lenders pursuant to clause 5.14 (*Public Lenders*) of Schedule 14 (*Common Terms*).

(b) The distribution of any amendment, waiver or consent requested by an Obligor or the Obligors' Agent must comply with clause 5.14 (*Public Lenders*) of Schedule 14 (*Common Terms*). Each Public Lender acknowledges that:

(i) Lenders (other than the Public Lenders) and any Information Nominee who has elected to have access to Private Lender Information pursuant to clause 5.14(e)(ii) (*Public Lenders*) of Schedule 14 (*Common Terms*) may, in connection with any amendment, waiver or consent request, receive additional information with respect to or in connection with that request, the Group or any part of it or any term of this Agreement that in each case may be material; and

(ii) it (and, if it has appointed an Information Nominee who has not elected to have access to Private Lender Information pursuant to clause 5.14(e)(ii) (*Public Lenders*) of Schedule 14 (*Common Terms*), its Information Nominee) may not receive any amendment, waiver or consent request and/or all or part of any additional information referred to in paragraph (i) above and no failure to deliver an amendment, waiver or consent request or such additional information to any Public Lender (or such Information Nominee) by reason of clause 5.14 (*Public Lenders*) of Schedule 14 (*Common Terms*) will limit the application of Clause 41.7 (*Excluded Commitments*) to such Public Lender (or such Information Nominee).

42. Confidential Information

1.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 42.2 (*Disclosure of Confidential Information*) and Clause 42.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

1.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent or Common Security Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (b) of Clause 32.14 (*Relationship with the Lenders*));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 29.8 (*Security over Lenders' rights*);

(viii) who is a Party; or

(ix) with the consent of the Obligors' Agent,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph (iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements

of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

(c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Obligors' Agent and the relevant Finance Party; and

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

1.3 Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:

(i) names of Obligors;

(ii) country of domicile of Obligors;

(iii) place of incorporation of Obligors;

(iv) date of this Agreement;

(v) Clause 47 (*Governing law*);

(vi) the names of the Agent and the Common Security Agent;

(vii) date of each amendment and restatement of this Agreement;

(viii) amounts of, and names of, the Facilities (and any tranches);

(ix) amount of Total Commitments;

(x) currencies of the Facilities;

(xi) type of Facilities;

(xii) ranking of Facilities;

(xiii) Termination Date for the Facilities;

(xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and

(xv) such other information agreed between such Finance Party and the Obligors' Agent,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) The Obligors' Agent represents that none of the information set out in paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Agent shall notify the Obligors' Agent and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

1.4 Entire agreement

This Clause 42 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

1.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

1.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Obligors' Agent:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 42.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 42.

1.7 Continuing obligations

The obligations in this Clause 42 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

43. Confidentiality of Funding Rates

1.1 Confidentiality and disclosure

(a) The Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.

(b) The Agent may disclose:

(i) any Funding Rate to the relevant Borrower pursuant to Clause 12.4 (*Notification of rates of interest*); and

(ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender.

(c) The Agent may disclose any Funding Rate, and each Obligor may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender.

1.2 Related obligations

(a) The Agent and each Obligor acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.

(b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender:

(i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 43.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 43.

1.3 No Event of Default

No Event of Default will occur under clause 9.3 (*Other obligations*) of Schedule 14 (*Common Terms*) by reason only of an Obligor's failure to comply with this Clause 43.

44. Disclosure of Lender Details by Agent

1.1 Supply of Lender details to Obligors' Agent

The Agent shall provide to the Obligors' Agent, within five Business Days of a request by the Obligors' Agent (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and e-mail address (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the transmission of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

1.2 Supply of Lender details at Obligors' Agent's direction

(a) The Agent shall, at the request of the Obligors' Agent, disclose the identity of the Lenders and the details of the Lenders' Commitments to any:

(i) other Party or any other person if that disclosure is made to facilitate, in each case, a refinancing of the Financial Indebtedness arising under the Finance Documents or a material waiver or amendment of any term of any Finance Document; and

(ii) member of the Group.

(b) Subject to paragraph (c) below, the Obligors' Agent shall procure that the recipient of information disclosed pursuant to paragraph (a) above shall keep such information confidential and shall not disclose it to anyone and shall ensure that all such information is protected with security measures and a degree of care that would apply to the recipient's own confidential information.

(c) The recipient may disclose such information to any of its officers, directors, employees, professional advisers, auditors and partners as it shall consider appropriate if any such person is informed in writing of its confidential nature, except that there shall be no such requirement to so inform if that person is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by duties of confidentiality in relation to the information.

1.3 Supply of Lender details to other Lenders

(a) If a Lender (a "**Disclosing Lender**") indicates to the Agent that the Agent may do so, the Agent shall disclose that Lender's name and Commitment to any other Lender that is, or becomes, a Disclosing Lender.

(b) The Agent shall, if so directed by the Requisite Lenders, request each Lender to indicate to it whether it is a Disclosing Lender.

1.4 Lender enquiry

If any Lender believes that any entity is, or may be, a Lender and:

(a) that entity ceases to have an Investment Grade Rating; or

(b) an Insolvency Event occurs in relation to that entity,

the Agent shall, at the request of that Lender, indicate to that Lender the extent to which that entity has a Commitment.

1.5 Lender details definitions

In this Clause 44:

"**Investment Grade Rating**" means, in relation to an entity, a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency.

"**Requisite Lenders**" means a Lender or Lenders whose Commitments aggregate 15 per cent. (or more) of the Total Commitments (or if the Total Commitments have been reduced to zero, aggregated 15 per cent. (or more) of the Total Commitments immediately prior to that reduction).

45. Bail-In

1.1 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

  (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

  (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

  (iii) a cancellation of any such liability; and

(b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

1.2 Bail-In definitions

In this Clause 45:

"**Article 55 BRRD**" means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**Bail-In Action**" means the exercise of any Write-down and Conversion Powers.

"**Bail-In Legislation**" means:

(a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;

(b) in relation to the United Kingdom, the UK Bail-In Legislation; and

(c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"**EEA Member Country**" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"**EU Bail-In Legislation Schedule**" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers.

"**UK Bail-In Legislation**" means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"**Write-down and Conversion Powers**" means:

(d) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(e) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

(f) in relation to any other applicable Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation.

46. Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

47. Governing Law

(a) This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

(b) Without prejudice to paragraph (a) above, Schedule 14 (*Common Terms*) and any non-contractual obligations arising out of or in connection with it will be interpreted in accordance with Norwegian law.

48. Enforcement

1.1 Jurisdiction of English courts

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**") including in relation to Schedule 14 (*Common Terms*) and any non-contractual obligations arising out of or in connection with Schedule 14 (*Common Terms*).

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) Notwithstanding paragraphs (a) and (b) above, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

1.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints Seadrill Management Ltd. of 2nd Floor, Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document (and Seadrill Management Ltd. by its execution of this Agreement, accepts that appointment); and

(ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Obligors' Agent (on behalf of all the Obligors) must immediately (and in any event within 10 days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1

The Original Parties

Part 1
The Original Obligors

Name of Original Borrower	Registration number (or equivalent, if any), address	Original Jurisdiction
Seadrill Finance Limited	202100498 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Name of Original Guarantor	Registration number (or equivalent, if any), address	Original Jurisdiction
Seadrill 2021 Limited	202100496 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Rig Holding Company Limited	53436 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Finance Limited	202100498 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Treasury UK Limited	11267283 2nd Floor, Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS, United Kingdom	England

Seadrill Gemini Ltd.	43061 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Asia Offshore Drilling Limited	44712 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Asia Offshore Rig 1 Limited	44713 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Asia Offshore Rig 2 Limited	44714 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Asia Offshore Rig 3 Limited	45551 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill GCC Operations Ltd.	38735 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Indonesia Ltd.	41956 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Cressida Ltd.	44171 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Seadrill Callisto Ltd.	46953 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Eclipse Ltd.	47104 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Carina Ltd.	46915 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Serviços de Petróleo Ltda.	332 0808533-2 - JUCERJA Avenida Republica do Chile, n. 230, 21 Andar Sala 2101, Centro Rio De Janeiro, RJ 20. 031 919, Brazil	Brazil
Seadrill Tucana Ltd.	44690 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Castor Pte. Ltd.	201625048C 20 Collyer Quay #23-01, 20 Collyer Quay Singapore 049319	Singapore
Seadrill Tellus Ltd.	45260 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Saturn Ltd.	46302 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Seadrill Jupiter Ltd.	46260 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Neptune Hungary Kft	13 09 170644 2724 Ujlengyel, Petofi Sandor, UTCA 40, Hungary	Hungary
Seadrill Gulf Operations Neptune LLC	5338018 Seadrill Headquarters, 11025 Equity Drive, Suite 150, Houston TX 77041, United States	Delaware
Seadrill North Atlantic Holdings Limited	53444 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
North Atlantic Phoenix Ltd.	45189 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Norway Operations Ltd. (previously North Atlantic Norway Ltd.) Seadrill Norway Operations Ltd., Norwegian branch (previously North Atlantic Norway Ltd, Norwegian Branch)	45148 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda 996 732 851 Drammensveien 288, 0283 Oslo, Norway	Bermuda
North Atlantic Elara Ltd.	43930 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Sevan Louisiana Hungary Kft.	13-09-170267 2724 Ujlengyel, Petofi Sandor, UTCA 40, Hungary	Hungary
Sevan Drilling North America LLC	801740894 Seadrill Headquarters, 11025 Equity Drive, Suite 150, Houston, TX 77041, United States	Texas
Seadrill Ariel Ltd.	C-108277 The LISCR Trust Company, 80 Broad Street, Monrovia, Liberia	Liberia
Seadrill Prospero Ltd.	36536 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Management (S) Pte. Ltd.	200509311K 20 Collyer Quay #23-01, 20 Collyer Quay Singapore 049319	Singapore
Seadrill Telesto Ltd.	44176 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Name of Original Security Provider	Registration number (or equivalent, if any), address	Original Jurisdiction
Seadrill Investment Holding Company Limited	53437 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Seadrill Jack Up Holding Ltd.	37220 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Americas, Inc.	800774800 Seadrill Headquarters, 11025 Equity Drive, Suite 150, Houston TX 77041, United States	Texas
Seadrill Sevan Holdings Limited	53441 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Sevan Drilling Rig II AS	992 643 382 Finnestadveien 28, 4029 Stavanger, Norway	Norway
Scorpion International Ltd.	38665 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Global Services Ltd.	47413 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Management Ltd.	08276358 2nd Floor, Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS, United Kingdom	England & Wales
Seadrill Europe Management AS	996 411 370 Finnestadveien 28, 4029 Stavanger, Norway	Norway

Eastern Drilling AS	978 620 876 Finnestadveien 28, 4029 Stavanger, Norway	Norway
Seadrill Offshore AS	929 350 685 Finnestadveien 28, 4029 Stavanger, Norway	Norway

Part 2
The Original Lenders

Name of Original Lender	Term Loan Facility Commitment (USD)	Revolving Facility Commitment (USD)
Ironshield Special Situations L1 Master Fund LP	207,809.77	148,435.56
J.P. Morgan Securities plc	13,245,220.53	9,460,870.10
Kington Sarl	4,092,590.47	2,923,277.52
Nordea Bank Abp, London branch	13,107,397.42	9,362,426.02
Sherston Sarl	5,978,024.19	4,270,017.54
Skandinaviska Enskilda Banken AB (publ)	9,441,356.00	6,743,825.00
Danish Ship Finance (Danmarks Skibskredit A/S)	200,027.00	142,877.00
Deutsche Bank AG, London Branch	37,659,949.48	26,899,964.28
Didmarton 405 Sarl	5,214,860.74	3,724,900.57
Didmarton Sarl	18,776,377.58	13,411,700.10
DNB Bank ASA	29,009,416.22	20,721,011.87
Export Finance Norway (Eksfin)	29,074,258.60	20,767,328.44
Elliott Associates L.P.	428,309.00	305,935.00
Elliott International L.P.	999,389.00	-
Manningtree Investments Limited	-	713,849.00
HSBC Bank Plc	6,264,894.00	4,474,925.00
TCA Event Investments Sarl	41,765.00	29,832.00
TCA Opportunity Investments Sarl	337,929.00	241,378.00
Westal Holdings Ltd	8,603.00	6,145.00
Cetus Capital VI, L.P.	194,615.00	139,011.00
OFM II, L.P.	144,450.00	103,179.00

San Bernardino County Employees' Retirement Association	87,953.00	62,823.00
Ginkgo Tree LLC	63,701.00	45,500.00
GoldenTree Partners, LP	190,617.00	136,155.00
GoldenTree Select Partners, LP	114,056.00	81,469.00
GoldenTree Insurance Fund Series Interests of the SALI Multi-Series Fund, LP	50,792.00	36,280.00
Louisiana State Employees' Retirement System	14,273.00	10,195.00
MA Multi-Sector Opportunistic Fund, LP	8,858.00	6,327.00
GT NM, LP	42,508.00	30,363.00
Total:	175,000,000	125,000,000

Schedule 2

Conditions Precedent

Part 1
Conditions precedent to utilisation

Terms defined in this Agreement (including Schedule 14 (*Common Terms*)) have the same meaning in this Part 1 of Schedule 2 unless given a different meaning in this Part 1 of Schedule 2.

1. **In respect of each of Seadrill, the Obligors, the Security Providers and the intra-group lenders under the Intercreditor Agreement:**

   (a) Company Certificate, Certificate of Registration and/or Certificate of Incorporation (or similar);

   (b) Articles of Association, Bye-laws, Memorandum and Articles of Association, limited liability agreement (or similar);

   (c) updated Good Standing Certificate (or similar, if relevant in the jurisdiction of the relevant entity);

   (d) resolutions passed by the board of directors, board or managing directors, the general partner, the managing directors, relevant majority of directors, unanimous written consent or an action by written consent (or similar) evidencing:

      (i) the approval of the terms of, and the transactions contemplated by, this Agreement (if applicable) and each other Finance Document to which it is or will become a party; and

      (ii) the authorisation of one or more representatives of the relevant entity to execute this Agreement (if applicable), each other Finance Document to which the entity is a party and any other documents necessary to give effect to the transactions contemplated by this Agreement and each other Finance Document on its behalf;

   (e) to the extent required by lawyers of the Agent in the relevant jurisdiction, shareholders resolution (or similar) for the purpose of approving the terms of and entering into of this Agreement and each other Finance Document;

   (f) a copy of any relevant power of attorney granted in favour of any person for the purpose of signing, and who signs, this Agreement (if applicable) or any other Finance Document to which the relevant entity is a party;

   (g) certified true copies of valid proof of identity in respect of the persons signing on behalf of the relevant party; and

   (h) an officer's certificate, including, but not limited to (i) certification of up-to-date documents listed in paragraphs (a) to (g) above; (ii) specimen signatures of each person who signs a Finance Document on behalf of the entity; (iii) a confirmation of solvency; and (iv) in the case of the Parent and RigCo, a statement that as at the Closing Date no Default will occur under this Agreement as a result of the occurrence of the Closing Date,

   in each case, as set out in further detail in the conditions precedent checklist.

2. **Finance Documents**

   A copy (or original(s) if requested) of each of the following documents duly executed by each of the parties thereto:

   (a) this Agreement;

   (b) the Intercreditor Agreement;

(c) the arrangement fee letter between the Borrower and the Agent;

(d) the facility agent fee letter between the Borrower and the Agent;

(e) the security agent fee letter between the Borrower and the Common Security Agent;

(f) the sub-agent fee letter between the Obligors' Agent and DNB Bank ASA as sub-agent; and

(g) the sub-agent delegation agreement between the Obligors' Agent and DNB Bank ASA as sub-agent.

3. **Security Documents:**

A copy (or original(s) if requested) of each of the following documents and any other Security Document in order to comply with the terms of the Finance Documents duly executed by each of the parties thereto, including evidence that the Security thereunder is or will on the Closing Date (or, if specified in the conditions precedent checklist, as soon as practically possible after the Closing Date) be legally perfected on first priority basis in accordance with the terms of the Finance Documents and applicable laws:

(a) the Mortgages (including any deeds of covenant);

(b) the Assignments of Earnings;

(c) the Assignments of Insurances;

(d) the Assignments of Seadrill Group Downstream Claims;

(e) the Assignments of Seadrill Group Downstream Loans;

(f) the Earnings Account Charges;

(g) the Cash Sweep Account Charges;

(h) the RigCo Account Charges;

(i) the Share Charges;

(j) the Cash Pool Co Share Charge;

(k) the RigCo Share Charge;

(l) the Seadrill Management Share Charge;

(m) the Seadrill Serviços Share Charge;

(n) the Floating Charges; and

(o) the Intercreditor Agreement,

in each case, as set out in further detail in the conditions precedent checklist.

4. **Miscellaneous**

(a) a copy of the executed Amendment and Restatement Agreement (with the Senior Facility Agreement attached);

(b) a copy of the executed Recycling Proceeds Agreement;

(c) a copy of the executed holdback undertakings entered into by North Atlantic Alpha Ltd., North Atlantic Navigator Ltd., North Atlantic Venture Ltd., Seadrill Eminence Ltd. and Seadrill Pegasus (S) Pte. Ltd., respectively, on or about the Closing Date;

(d) a copy of the executed Hemen Convertible Bond;

(e) a copy of the Transaction Steps Plan;

(f) a certificate from a director of the Parent inter alia confirming that the reorganisation of the Group has been carried out in all material respects in accordance with the Transaction Steps Plan;

(g) evidence that all fees and expenses due under or in connection with the financial restructuring of the Group and the Finance Documents have been paid or will be paid;

(h) an insurance report with respect to the Drilling Units;

(i) KYC-documentation and other evidence or information required by the Finance Parties in respect of the relevant entity whom such information is sought;

(j) a copy of the audited consolidated financial statements of Seadrill for the financial period ending on 31 December 2020;

(k) a copy of the unaudited consolidated opening financial statements of the Parent;

(l) if available, copies of the most recent audited accounts of each of the Obligors and the Security Providers;

(m) a copy of the Base Case Model together with any updates thereto (if any);

(n) a copy of the updated Group structure chart;

(o) a copy of any other required corporate, regulatory (including competition clearances), shareholder and other approvals required to be obtained as a condition of completion of the transaction (but excluding any shareholder approvals of Seadrill) (provided that the requirements associated with such condition precedent are notified to the Parent or its advisers by the later of (i) the date on which this Agreement is substantially agreed among the Parties, and (ii) the date falling two (2) weeks prior to the Closing Date);

(p) funds flow for payments to be made on or about the Restructuring Effective Date;

(q) a copy of an overview of intra-group loans in the Group as of the date falling three (3) Business Days prior to the Closing Date;

(r) a copy of an overview of any and all disposals contractually committed to or agreed to as of the Closing Date;

(s) a copy of an overview of any and all Security existing or legally required to be created under arrangements existing as of the Closing Date;

(t) a copy of an overview of any and all Financial Indebtedness existing or arising pursuant to any legally binding commitment or arrangement existing as of the Closing Date;

(u) a copy of an overview of any and all Financial Support existing or that any member of the Group is contractually or legally obligated to provide as of the Closing Date;

(v) closing memo;

(w) any other authorisation or other document, opinion or assurance which the Lenders notify Seadrill is necessary in connection with the entry into and performance of the transactions contemplated by under this Agreement or any other Finance Document or for the validity and enforceability of any transaction contemplated under this Agreement or any other Finance Document (provided that the requirements associated with such condition precedent are notified to the Parent or its advisors by the later of (i) the date on which this Agreement is substantially agreed among the Parties, and (ii) the date falling two (2) weeks prior to the Closing Date);

(x) evidence that (i) any guarantee provided by any member of the Seadrill Group and/or the RigCo Group in favour of the Second Lien Common Security Agent (as defined in the Original Intercreditor Agreement (as defined in the Amendment and Restatement Agreement)), and (ii) any Security created pursuant to the Second Priority Common Collateral Documents in favour of the Second Lien Common

Security Agent (each as defined in defined in the Original Intercreditor Agreement), (iii) any Security created pursuant to the Pari Passu Collateral in favour of the Pari Passu Security Agent (each as defined in the Original Intercreditor Agreement), and (iv) the share charge granted by Seadrill in respect of the shares over IHCo, has been released and discharged in full.

(y) on the Closing Date, or as soon as possible thereafter, satisfactory searches in maritime registries, including, but not limited to evidence (by way of transcript of registry) that the Drilling Unit is registered in the name of the relevant Drilling Unit Owner in the relevant ship registry, that the Mortgage has been, or will be on the Closing Date, executed and recorded with its intended first priority against the Drilling Unit and that no other encumbrances, maritime liens, mortgages or debts whatsoever are registered against the Drilling Unit;

(z) the Hungarian security confirmation agreement in respect of the quota pledges over Seadrill Neptune Hungary Kft. and Sevan Louisiana Hungary Kft; and

(aa) any other document or condition precedent as reasonably requested by the Agent before it gives its confirmation under Clause 4.1(b) (provided that the requirements associated with such condition precedent are notified to the Parent or its advisors by the later of (i) the date on which this Agreement is substantially agreed among the Parties, and (ii) the date falling two (2) weeks prior to the Closing Date).

5. **Legal Opinions:**

(a) legal opinion(s) from Advokatfirmaet BAHR AS in respect of Norwegian law matters;

(b) legal opinion(s) from White & Case LLP in respect of English law matters;

(c) legal opinion(s) from Kirkland & Ellis in respect of New York and Delaware law matters;

(d) legal opinion(s) from Appleby (Bermuda) Limited in respect of Bermuda law matters;

(e) legal opinion(s) from Basch & Rameh in respect of Brazil law matters;

(f) legal opinion(s) from Stephenson Harwood in respect of Hong Kong law matters;

(g) legal opinion(s) from Allen & Overy in respect of Hungarian law matters;

(h) legal opinion(s) from Rahmat Lim & Partners covering Malaysian and Labuan law matters;

(i) legal opinion(s) from Holland & Knight LLP covering Liberian law matters;

(j) legal opinion(s) from Mijares, Angoitia, Cortés y Fuentes, S.C. covering Mexican law matters;

(k) legal opinion(s) from De Brauw covering Dutch law matters;

(l) legal opinion(s) from Brodies LLP covering Scottish law matters;

(m) legal opinion(s) from Norton Rose Fulbright covering Singaporean law matters;

(n) legal opinion(s) from Chaffe McCall covering Texas law matters;

(o) legal opinion(s) from ARIAS, FABREGA & FABREGA covering Panama law matters;

(p) legal opinion(s) from Higgs Johnson Counsel & Attorneys-at-Law covering Bahamas law matters;

(q) legal opinion from Stewart McKelvey covering Canadian law matters.

Part 2
Conditions precedent required to be delivered by an Additional Obligor and any entity required to provide any Security under the terms of this Agreement

1. A Borrower Replacement Letter or Accession Deed (as applicable) executed by the Replacement Borrower, Additional Guarantor or Security Provider (as applicable) and the Obligors' Agent.

2. A copy of the constitutional documents of the Additional Obligor or Security Provider.

3. A copy of a resolution of the board (or, if applicable, a committee of the board) of directors of the Additional Obligor or Security Provider:

   (a) approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Accession Deed and any other Finance Document to which it is party;

   (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;

   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to a Replacement Borrower, any Utilisation Request or Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and

   (d) authorising the Obligors' Agent to act as its agent in connection with the Finance Documents.

4. If applicable, a copy of a resolution of the board of directors of the Additional Obligor or Security Provider, establishing the committee referred to in paragraph 3 above.

5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.

6. A copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

7. A copy of a resolution of the board of directors of each corporate shareholder of each Additional Guarantor approving the terms of the resolution referred to in paragraph 6 above.

8. A certificate of the Additional Obligor or Security Provider (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.

9. A certificate of an authorised signatory of the Additional Obligor or Security Provider certifying that each copy document listed in this Part 2 of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Deed.

10. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Deed or for the validity and enforceability of any Finance Document.

11. If available, the latest audited financial statements of the Additional Obligor or Security Provider.

12. The following legal opinions, each addressed to the Agent, the Common Security Agent and the Lenders:

   (a) A legal opinion of the legal advisers to the Agent in England, as to English law in the form distributed to the Lenders prior to signing the Accession Deed.

   (b) If the Additional Obligor or Security Provider is incorporated in or has its "centre of main interest" or "establishment" in a jurisdiction other than England and Wales or is

executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to the Agent in the jurisdiction of its incorporation, "centre of main interest" or "establishment" (as applicable) or, as the case may be, the jurisdiction of the governing law of that Finance Document (the "**Applicable Jurisdiction**") as to the law of the Applicable Jurisdiction and in the form distributed to the Lenders prior to signing the Accession Deed.

13. If the proposed Additional Obligor or Security Provider is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 48.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor or Security Provider.

14. At least two (2) originals of each Security Document which the Agent and/or the Common Security Agent (as applicable) reasonably requires to be entered into by or in respect of the Additional Obligor or Security Provider in order to maintain the security position contemplated by Clause 22 (*Security*), executed by the parties to that document, together with copies of all notices required to be sent under the relevant Security Documents executed by the relevant parties and all other documents and instruments required under that Security Document.

15. If the Additional Obligor or Security Provider is incorporated in England and Wales, Scotland or Northern Ireland, evidence that the Additional Obligor or Security Provider has done all that is necessary (including, without limitation, by re-registering as a private company) to comply with sections 677 to 683 of the Companies Act 2006 in order to enable that Additional Obligor or Security Provider to enter into the Finance Documents and perform its obligations under the Finance Documents.

(b) If the Additional Obligor or Security Provider is not incorporated in England and Wales, Scotland or Northern Ireland, such documentary evidence as legal counsel to the Agent may require, that such Additional Obligor or Security Provider has complied with any law in its jurisdiction relating to financial assistance or analogous process.

Schedule 3

Requests and Notices

Part 1
Utilisation Request Loans

From: [*Borrower*]/[*Obligors' Agent*]*

To: [*Agent*]

Dated:

Dear Sirs

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

(a)	Borrower:	[ ]
(a)	Proposed Utilisation Date:	[ ] (or, if that is not a Business Day, the next Business Day)
(a)	Facility to be utilised:	[Term Loan Facility]/[Revolving Facility][/[Incremental Facility with an Establishment Date of [ ]]]**
(a)	Amount:	USD [ ] or, if less, the Available Facility
(a)	Interest Period:	[ ]

3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) of the Facilities Agreement is satisfied on the date of this Utilisation Request.

4. [This Loan is to be made in [whole]/[part] for the purpose of refinancing [*identify maturing Revolving Facility Loan*].]/[The proceeds of this Loan should be credited to [*account*].]

5. This Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for
[the Obligors' Agent on behalf of [insert name of Borrower]]/ [insert name of Borrower]*

Notes:

* Amend as appropriate. The Utilisation Request can be given by the Borrower or by the Obligors' Agent.
** Select the Facility to be utilised and delete references to the other Facilities.

Part 2

Selection Notice

Applicable to a Term Loan

From: [*Borrower*]/[*Obligors' Agent*]*

To: [*Agent*]

Dated:

Dear Sirs

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Selection Notice. Terms defined in the Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2. We refer to the following [Term Loan Facility][/[Incremental Facility]] Loan[s] with an Interest Period ending on [ ]**.

3. [We request that the above [Term Loan Facility][/[Incremental Facility]] Loan[s] be divided into [ ] [Term Loan Facility][/[Incremental Facility]] Loans with the following Base Currency Amounts and Interest Periods:]***

   or

   [We request that the next Interest Period for the above [Term Loan Facility][/[Incremental Facility]] Loan[s] is [ ]].****

4. This Selection Notice is irrevocable.

Yours faithfully

authorised signatory for
[the Obligors' Agent on behalf of] [insert name of relevant Borrower] *****

Notes:

* Amend as appropriate. The Selection Notice can be given by the Borrower or the Obligors' Agent.
** Insert details of all Term Loans for the relevant Facility which have an Interest Period ending on the same date.
*** Use this option if division of Term Loan Facility Loans or Incremental Facility Loans is requested.
**** Use this option if sub-division is not required.
***** Amend as appropriate. The Selection Notice can be given by the Borrower or the Obligors' Agent.

Schedule 4

Form of Transfer Certificate

To: [ ] as Agent and [ ] as Common Security Agent

From: [*The Existing Lender*] (the "**Existing Lender**") and [*The New Lender*] (the "**New Lender**")

Dated:

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the "**Agreement**") shall take effect as a Transfer Certificate for the purposes of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 29.5 (*Procedure for transfer*) of the Facilities Agreement:

   (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation and in accordance with Clause 29.5 (*Procedure for transfer*) of the Facilities Agreement all of the Existing Lender's rights and obligations under the Facilities Agreement, the other Finance Documents and in respect of the Transaction Security which relate to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facilities Agreement as specified in the Schedule.

   (b) The proposed Transfer Date is [ ].

   (c) The Facility Office and address, e-mail address and attention details for notices of the New Lender for the purposes of Clause 37.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 29.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.

4. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

5. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

6. The New Lender confirms that it will bound by and will take no actions contrary to the provisions of the Intercreditor Agreement.

7. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

The Schedule

Commitment/rights and obligations to be transferred

[*Insert relevant details*]

[*Facility Office address, e-mail address and attention details for notices and account details for payments,*]

[Existing Lender] [New Lender]

By: By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facilities Agreement by the Agent, and the Transfer Date is confirmed as [ ].

[Agent]

By:

Schedule 5

Form of Assignment Agreement

To: [ ] as Agent and [ ], [ ] as Common Security Agent, [ ] as Obligors' Agent, for and on behalf of each Obligor

From: [the *Existing Lender*] (the "**Existing Lender**") and [the *New Lender*] (the "**New Lender**")

Dated:

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This is an Assignment Agreement. This agreement (the "**Agreement**") shall take effect as an Assignment Agreement for the purposes of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 29.6 (*Procedure for assignment*) of the Facilities Agreement:

   (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facilities Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facilities Agreement as specified in the Schedule.

   (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment(s) and participations in Utilisations under the Facilities Agreement specified in the Schedule.

   (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3. The proposed Transfer Date is [ ].

4. On the Transfer Date the New Lender becomes party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender.

5. The Facility Office and address, e-mail address and attention details for notices of the New Lender for the purposes of Clause 37.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.

6. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 29.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.

7. The New Lender confirms that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreement in its capacity as a [Super Senior Lender].

8. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 29.7 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Obligors' Agent*), to the Obligors' Agent (on behalf of each Obligor) of the assignment referred to in this Agreement.

9. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

10. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

11. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

The Schedule

Commitment/rights and obligations to be transferred by assignment, release and accession

[*Insert relevant details*]

[*Facility Office address, e-mail address and attention details for notices and account details for payments*]

[Existing Lender]

By:

[New Lender]

By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facilities Agreement by the Agent, and the Transfer Date is confirmed as [ ].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

Schedule 6

Form of Accession Deed

To: [ ] as Agent and [ ] as Common Security Agent for itself and each of the other parties to the Intercreditor Agreement referred to below

From: [*Subsidiary*] and [*Obligors' Agent*]

Dated:

Dear Sirs

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement. This deed (the "**Accession Deed**") shall take effect as an Accession Deed for the purposes of the Facilities Agreement and as a Debtor Accession Deed for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in paragraphs 1-3 of this Accession Deed unless given a different meaning in this Accession Deed.

2. [*Subsidiary*] agrees to become an [Additional Guarantor]/[Security Provider] and to be bound by the terms of the Facilities Agreement and the other Finance Documents (other than the Intercreditor Agreement) as an [Additional Guarantor]/[Security Provider] pursuant to Clause 31 (*Changes to the Obligors*) of the Facilities Agreement. [*Subsidiary*] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a limited liability company with registered number [ ]. We confirm that no Default is continuing or is likely to occur as a result of [*Subsidiary*] becoming an [Additional Guarantor]/[Security Provider].

3. [*Subsidiary's*] administrative details for the purposes of the Facilities Agreement and the Intercreditor Agreement are as follows:

   Address:

   E-mail Address.:

   Attention:

4. [*Subsidiary*] (for the purposes of this paragraph 4, the "**Acceding Debtor**") intends to [incur Liabilities under the following documents]/[give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents]:

   [*Insert details (date, parties and description) of relevant documents*]

   the "**Relevant Documents**".

   It is agreed as follows:

   (a) Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Accession Deed, bear the same meaning when used in this paragraph 4.

   (b) The Acceding Debtor and the Common Security Agent agree that the Common Security Agent shall hold:

      (i) [any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;

      (ii) all proceeds of that Security; and][1]

[1] Include to the extent that the Security created in the Relevant Documents is expressed to be granted to the Common Security Agent as trustee for the Secured Parties.

(iii) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Common Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Common Security Agent as trustee for the Secured Parties,

on trust for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

(c) The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

(d) In consideration of the Acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

5. This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Accession Deed has been signed on behalf of the Common Security Agent (for the purposes of paragraph 4 above only), signed on behalf of the Obligors' Agent and executed as a deed by [Subsidiary] and is delivered on the date stated above.

[Subsidiary]

[Executed as a Deed
By: [*Subsidiary*]

Director

Director/Secretary]

or

[Executed as a Deed
By: [*Subsidiary*]

Signature of Director

Name of Director

in the presence of

Witness Name:
Witness Address:
Witness Occupation:]

The Obligors' Agent

By:

The Common Security Agent
[*Full Name of Current Common Security Agent*]

By:
Date:

Schedule 7

Form of Resignation Letter

To: [ ] as Agent

From: [*resigning Guarantor*] and [*Obligors' Agent*]

Dated:

Dear Sirs

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Resignation Letter. Terms defined in the Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2. Pursuant to Clause 31 (*Changes to the Obligors*) of the Facilities Agreement, we request that [*resigning Guarantor*] be released from its obligations as a Guarantor under the Facilities Agreement and the Finance Documents (other than the Intercreditor Agreement) as [*reason for resignation request*] [and that the following Security and Security Document(s) be released at the cost of the Obligors' Agent:

   (a) [●]; and

   (b) [●]].

3. We confirm that:

   (a) no Default is continuing or would result from the acceptance of this request;

   (b) no payment is due or will, as a result of this request, become due from the Guarantor;

   (c) [the [disposal / Drilling Unit Refinancing] proceeds have been or will be applied in accordance with the Facilities Agreement;]

   (d) [in the reasonable opinion of the Obligors' Agent, the Guarantor is not and has no assets of material value;] [and]

   (e) [the new [Drilling Unit Owner / Intra-Group Charterer] has acceded to the Facilities Agreement as an [Additional Guarantor]/[Security Provider] in accordance with the terms of Clause 31 (*Changes to the Obligors*) of the Facilities Agreement.]

4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[*Obligors' Agent*]	[*resigning Guarantor*]
By:	By:

Schedule 8

Form of Compliance Certificate

To: [ ] as Agent

From: [*Obligors' Agent*]

Date: [●] [To be delivered no later than one hundred and eighty (180)/seventy (70) days after each reporting date]

Dear Sirs

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

We refer to the Facilities Agreement. Terms defined in the Facilities Agreement shall have the same meaning when used in this Compliance Certificate.

We confirm that as at [insert relevant reporting date], unless otherwise stated:

4.1 EBITDA

EBITDA of the RigCo Group was [●], while Adjusted EBITDA of the RigCo Group was [●].

4.2 **RigCo Group Minimum Liquidity**

The RigCo Covenant Liquidity was USD [●] as at [the close of business in each relevant jurisdiction] on the final Business Day of the relevant Financial Quarter, while the RigCo Covenant Liquidity required was USD 175,000,000.

4.3 **Super Senior Gross Leverage Ratio**

The Super Senior Gross Leverage Ratio was [●], while the Super Senior Gross Leverage Ratio was required to be equal to or less than [1.6x / 1.5x / 1.4x / 1.3x].

4.4 **Total Net Leverage Ratio**

The Total Net Leverage Ratio was [●], while the Total Net Leverage Ratio was required to be equal to or less than [5.0x / 4.5x / 4.0x / 3.5x].

4.5 **RigCo Ongoing Liquidity – Cash sweep prepayment under Senior Facility Agreement**[2]

RigCo Ongoing Liquidity as at [*insert the relevant Cash Sweep Calculation Date (as defined in the Senior Facility Agreement)*][3] was in the amount of USD [●].

The Cash Sweep Threshold (as defined in the Senior Facility Agreement) as at [*insert the relevant Cash Sweep Calculation Date (as defined in the Senior Facility Agreement)*] was in the amount of USD [●].

The Cash Sweep Amount (as defined in the Senior Facility Agreement) was as at [*insert the relevant Cash Sweep Calculation Date (as defined in the Senior Facility Agreement)*] in the amount of USD [●]. Such Cash Sweep Amount (as defined in the Senior Facility Agreement) was applied towards repayment of principal amounts outstanding under the Senior Facility.

4.6 **RigCo Ongoing Liquidity – Interest**

RigCo Ongoing Liquidity as at [insert relevant PIYC Calculation Date (as defined in the Senior Facility Agreement)][4] was in the amount of USD [●].

[2] Not applicable if the first Compliance Certificate is delivered prior to the first Cash Sweep Prepayment Date (as defined in the Senior Facility Agreement).

[3] Calculated on the last Business Day of the month immediately preceding the relevant Cash Sweep Prepayment Date (as defined in the Senior Facility Agreement).

[4] Calculated on the first Business Day in the month in which the relevant Interest Payment Date (as defined in the Senior Facility Agreement) falls.

The PIYC Threshold (as defined in the Senior Facility Agreement) as at [*insert relevant PIYC Calculation Date (as defined in the Senior Facility Agreement)*] was in the amount of USD [●].

Interest paid in cash pursuant to paragraph (a) and (b) of clause 10.2 (*Payment of interest*) of the Senior Facility Agreement as at the most recent Interest Payment Date (as defined in the Senior Facility Agreement) was USD [●].

Interest capitalised and added to the principal outstanding amount under the Senior Facility pursuant to paragraph (b) of clause 10.2 (*Payment of interest*) of the Senior Facility Agreement as at the most recent Interest Payment Date (as defined in the Senior Facility Agreement) was USD [●].

4.7 **RigCo Group cash sweep**

The aggregate amount of cash transferred by members of the RigCo Group into the Cash Sweep Accounts from the previous Quarter Date to the Quarter Date to which this Compliance Certificate relates was USD [●].

[The amount of cash not transferred by members of the RigCo in accordance with the terms of the Facilities Agreement was USD [●], as [insert reason for withholding the cash with the RigCo Group member(s)].]

The total aggregate amount standing to the credit of the Cash Sweep Accounts as at the reporting date was [●].

4.8 **Payments out of the RigCo Group**

The following payments have been made to members outside the RigCo Group in the relevant Financial Quarter:

(a) [Junior Obligations Permitted Payment(s) in the amount of USD [●] following [*specify relevant Junior Obligations Permitted Payment(s)*];] [and]

(b) [Structural Permitted Payment(s) in the amount of USD [●].]

The payments have been made by way of RigCo Upstream Loans.

[We confirm that any Junior Obligations Permitted Payment(s) made in the relevant Financial Quarter was made in accordance with the requirements set out in the definition of "Junior Obligations Permitted Payments".]

[The following amounts from SDRL Debt Issues and/or SDRL Equity Issues have been advanced or otherwise contributed to the RigCo Group:

(a) proceeds from SDRL Debt Issues in the amount of USD [●]; and

(b) proceeds from SDRL Equity Issues in the amount of USD [●].]

4.9 **Excess Sales Proceeds**

[Alt. 1: No Excess Sales Proceeds were generated in the relevant Financial Quarter.]

[Alt. 2: Excess Sales Proceeds generated in the relevant Financial Quarter are in the amount of USD [●].]

4.10 **Non-Recourse Subsidiaries**

We confirm that [the Non-Recourse Subsidiaries are [*insert list of Non-Recourse Subsidiaries*]] [there are no Non-Recourse Subsidiaries].

[In the relevant [Financial Quarter], Permitted Non-Recourse Subsidiary Investments in the amount of USD [●] have been made in respect of [*insert details of the relevant Permitted Non-Recourse Subsidiary Investments*].]

4.11 **SDRL Equity Issue and SDRL Debt Issue**

[Proceeds in the relevant Financial Quarter from:

(a) SDRL Equity Issue(s) was/were in amount of USD [●] following [insert details of the relevant equity issue(s)]; and

(b) SDRL Debt Issue(s) was/were in amount of USD [●] following [insert details of the relevant debt issues(s)]].

4.12 **[Investment and Acquisition Basket**

RigCo UFCF was [●] and the Investment and Acquisition Basket was [●].][5]

4.13 **Market Value**

The Market Value of each of the Drilling Units, and the Drilling Units in aggregate is attached as Appendix 1 hereto for information purposes.

4.14 **Insurance**

We confirm that each of the Drilling Units is insured against such risks and in such amounts as set out in Appendix 2 hereto.

4.15 **No Default**

We confirm that, as of the date hereof (i) each of the representations and warranties set out in clause 4 (*Representations and Warranties*) of Schedule 14 (*Common Terms*) of the Facilities Agreement (except for the representations and warranties in clause 4.7(b), clause 4.8(b) and (c), clause 4.9(a)(ii) (only insofar as they relate to any omission), clause 4.10(c), clause 4.15 (*No winding-up*) and clause 4.22 (*Sanctions*)) is true and correct, and (ii) no event or circumstance has occurred and is continuing which constitutes or is reasonably likely to constitute an Event of Default.

Yours sincerely

for and on behalf of

[*Obligors' Agent*]

By:_____

Name:
Title: [*authorised officer*]

[5] Only applicable to Compliance Certificates which related to the financial year end of the Parent.

Appendix 1 – Market Value

Drilling Unit	Valuation from [Approved Broker]	Valuation from [Approved Broker]	Average Market Value

Appendix 2 - Insurance

Drilling Unit	Hull & Machinery	Freight Interest	Hull Interest	P&I	War risk	Insured Amount	MAPP

Schedule 9

LMA Form of Confidentiality Undertaking

Schedule 10

Timetables

Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*)) or a Selection Notice (Clause 13.1 (*Selection of Interest Periods and Terms*))	U-3 9.30am
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (*Lenders' participation*)	U-3 Noon

"U"	=	date of utilisation or, if applicable, in the case of a Term Loan that has already been borrowed, the first day of the relevant Interest Period for that Term Loan.
"U – X"	=	X Business Days prior to date of utilisation

Schedule 11

Form of Increase Confirmation

To: [ ] as Agent, [ ] as Common Security Agent and [ ] as Obligors' Agent, for and on behalf of each Obligor

From: [the *Increase Lender*] (the "**Increase Lender**")

Dated:

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the "**Agreement**") shall take effect as an Increase Confirmation for the purposes of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 2.3 (*Increase*) of the Facilities Agreement.

3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment(s) specified in the Schedule (the "**Relevant Commitment(s)**") as if it had been an Original Lender under the Facilities Agreement in respect of the Relevant Commitment(s).

4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment(s) is to take effect (the "**Increase Date**") is [ ].

5. On the Increase Date, the Increase Lender becomes party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender. The Increase Lender confirms that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreement in its capacity as a [Super Senior Lender].

6. The Facility Office and address, e-mail address and attention details for notices to the Increase Lender for the purposes of Clause 38.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.

7. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (k) of Clause 2.3 (*Increase*) of the Facilities Agreement.

8. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

10. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Increase Confirmation may not be sufficient for the Increase Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Increase Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

The Schedule

Relevant Commitment(s)/rights and obligations to be assumed by the Increase Lender

[*Insert relevant details*]

[*Facility Office address, e-mail address and attention details for notices and account details for payments*]

[Increase Lender]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facilities Agreement by the Agent and the Increase Date is confirmed as [ ].

Agent

By:

Note:

* Only if increase in the Total Revolving Facility Commitments.

Schedule 12

Form of Incremental Facility Notice

To: [ ] as Agent and [ ] as Common Security Agent

From: [ ] as the Obligors' Agent and the entities listed in the Schedule as Incremental Facility Lenders (the "**Incremental Facility Lenders**")

Dated:

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This is an Incremental Facility Notice. This Incremental Facility Notice shall take effect as an Incremental Facility Notice for the purposes of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Incremental Facility Notice unless given a different meaning in this Incremental Facility Notice.

2. We refer to Clause 10 (*Establishment of Incremental Facilities*) of the Facilities Agreement.

3. We request the establishment of an Incremental Facility with the following Incremental Facility Terms:

   (a) Currency:

   The Base Currency.

   (b) Total Incremental Facility Commitments:

   [ ]

   (c) Margin:

   [ ]

   (d) Level of commitment fee payable pursuant to Clause 15.1 (Commitment fee) of the Facilities Agreement in respect of the Incremental Facility:

   [ ]

   (e) Borrower(s) to which the Incremental Facility is to be made available:

   [ ]

   (f) Purpose(s) for which all amounts borrowed under the Incremental Facility shall be applied pursuant to Clause 3.1 (Purpose) of the Facilities Agreement:

   [ ]

   (g) Availability Period:

   [ ]

   (h) [Incremental Facility Conditions Precedent:

   [ ]]

   (i) The repayment terms for the Incremental Facility for the purposes of Clause 8.1 (Repayment of Term Loans) of the Facilities Agreement [and the effect of cancellation and prepayment of the Incremental Facility for the purposes of Clause 8.3 (Effect of cancellation and prepayment on scheduled repayments and reductions) of the Facilities Agreement]:

[ ]

(j) [The Lenders under the Incremental Facility [are]/[are not]* permitted to elect to waive prepayments of the Incremental Facility under Clause 11.8 (*Prepayment elections*) of the Facilities Agreement].[6]

(k) Termination Date:

[ ]

4. The proposed Establishment Date is [ ].

5. The Obligors' Agent confirms that:

(a) the Incremental Facility complies with Clause 7.5 (*Restrictions on Incremental Facility Terms and fees*) of the Facilities Agreement;

(b) [the Incremental Facility Lenders and the Incremental Facility Commitments set out in this Incremental Facility Notice have been selected and allocated in accordance with Clause 7.1 (*Selection of Incremental Facility Lenders*) of the Facilities Agreement; and

(c) each condition specified in paragraph (a)(i) of Clause 7.6 (*Conditions to establishment*) of the Facilities Agreement is satisfied on the date of this Incremental Facility Notice.

6. Each Incremental Facility Lender agrees to assume and will assume all of the obligations corresponding to the Incremental Facility Commitment set opposite its name in the Schedule as if it had been an Original Lender under the Facilities Agreement in respect of that Incremental Facility Commitment.

7. On the Establishment Date each Incremental Facility Lender becomes party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender.

8. The Incremental Facility Lender confirms that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreement in its capacity as a [Super Senior Lender].

9. Each Incremental Facility Lender expressly acknowledges the limitations on the Lenders' obligations referred to in Clause 7.12 (*Limitation of responsibility*) of the Facilities Agreement.

10. This Incremental Facility Notice is irrevocable.

11. This Incremental Facility Notice may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Incremental Facility Notice.

12. This Incremental Facility Notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

13. This Incremental Facility Notice has been entered into on the date stated at the beginning of this Incremental Facility Notice.

Note: The execution of this Incremental Facility Notice may not be sufficient for each Incremental Facility Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of each Incremental Facility Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

*** Delete as appropriate.**

[6] Include only if the relevant Incremental Facility is a Bullet Incremental Facility.

The Schedule

Name of Incremental Facility Lender	Incremental Facility Commitment

The Obligors' Agent

By:

The Incremental Facility Lenders

By:

This document is accepted as an Incremental Facility Notice for the purposes of the Facilities Agreement by the Agent and the Establishment Date is confirmed as [ ].

The Agent

By:

Schedule 13

Form of Incremental Facility Lender Certificate

To: [ ] as Agent and [ ] as Obligors' Agent

From: [*The Incremental Facility Lender*]

Dated:

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Incremental Facility Notice dated [ ]. This is an Incremental Facility Lender Certificate. Terms defined in the Facilities Agreement have the same meaning in this Incremental Facility Lender Certificate unless given a different meaning in this Incremental Facility Lender Certificate.

2. The Facility Office and address, e-mail address and attention details for notices of the Incremental Facility Lender for the purposes of Clause 37.2 (*Addresses*) of the Facilities Agreement are:

Incremental Facility Lender
[Incremental Facility Lender]

By:

Schedule 14

Common Terms

1. Definitions and Interpretation

1.1 Definitions

Unless otherwise indicated, references to "Clauses" and "Schedules" in this Schedule are to clauses of, and schedules to, the super senior term and revolving facilities agreement (this "**Agreement**") to which this Schedule is attached. Unless defined differently in this Schedule, words and expressions defined in Clause 1 (*Definitions and Interpretation*) have the same meanings when used in this Schedule. In addition, in this Schedule:

"**2020 Seadrill Financial Statements**" means the audited consolidated financial statements of Seadrill Limited (registration number 53439) for the year ending 31 December 2020.

"**Acceptable Ship Registry**" means the ship registry of Bahamas, Bermuda, Cyprus, Denmark, Germany, United Kingdom, Hong Kong, Isle of Man, Cayman Islands, Liberia, Malta, the Marshall Islands, the Netherlands, Norway, Panama and Singapore and any other ship registry approved by the Agent.

"**Accounting Principles**" means, for the relevant member of the Group, generally accepted accounting principles in the United States of America (US GAAP), IFRS or other generally accepted accounting principles in the jurisdiction of incorporation of that member of the Group.

"**Acquisition**" means any acquisition of:

(a) any company or shares (or similar equity investments) or a business or undertaking (or, in each case, any interest in any of them); or

(b) any drilling unit, rig or vessel (excluding the Drilling Units), including, for the avoidance of doubt, any entry into of a contract for the acquisition of the same.

"**Additional Indebtedness**" shall have the meaning given to that term in clause 6.1 (*Financial definitions*) of this Schedule.

"**Additional Security Provider**" means any Security Provider which grants or provides a Security Interest only pursuant to a Floating Charge.

"**Agreed Format**" means, in relation to any document, that such document is substantially in the form agreed by the Obligors' Agent and the Agent (acting on the instructions of the Majority Lenders) on or prior to the Closing Date or in such other form as may be agreed from time to time by the Obligors' Agent and the Agent (acting on the instructions of the Majority Lenders) (each acting reasonably).

"**Approved Borrower Jurisdiction**" means Norway, Luxembourg, England and Wales, Bermuda and any other jurisdiction approved in advance by the Agent (acting on the instructions of all the Lenders).

"**Approved Brokers**" means each of Clarksons Platou, Fearnleys, Pareto and IHS Petrodata or such other reputable and independent consultancy or ship broker firm approved by the Agent, such consent not to be unreasonably withheld or delayed.

"**Approved Guarantor Jurisdiction**" means Norway, Luxembourg, England and Wales, Bermuda, Singapore, Hungary, Switzerland, the United Arab Emirates and any other jurisdiction approved in advance by the Agent (acting on the instructions of all the Lenders).

"**Asset Coverage Threshold**" means that the lower of:

(c) the pro forma Market Value of all Drilling Units and Cash and Cash Equivalents of the RigCo Group above USD 400,000,000; and

(d) the enterprise value of the Parent (calculated by reference to (i) the Parent's market capitalisation determined using the trading price on the New York Stock Exchange multiplied by the total number of shares in issue or, if the Parent is not listed on the New York Stock Exchange at the time, on the Oslo Stock Exchange and (ii) consolidated net debt (such netting to take into account only any cash and cash equivalents which would constitute "Cash", "Cash Equivalents" or "Cash and Cash Equivalents Collateral" for the purposes of this Agreement but, for the purposes of this paragraph (b) only, on the basis that the definitions of "Cash and Cash Equivalents Collateral" apply to cash and cash equivalents held by the Group up to the Permitted Cash and Cash Equivalents Collateral Threshold)),

is more than 450% of the total outstanding principal amounts and commitments under the Facilities (including, for the avoidance of doubt, any undrawn and uncancelled commitments under the Facilities).

"**Asset Sale Waterfall**" shall have the meaning given to that term in clause 2.2.4 (*Sale or disposal - definitions*) of this Schedule.

"**Assignment of Earnings**" means each assignment agreement, collateral to the Secured Bank Facilities Agreements, for the first priority perfected assignment of the Earnings, made between the relevant Obligor and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**Assignment of Insurances**" means each assignment agreement, collateral to the Secured Bank Facilities Agreements, for the first priority perfected assignment of (i) the Insurances, made between the relevant Drilling Unit Owner and the Common Security Agent (on behalf of the Senior Secured Finance Parties) and (ii) any re-insurances taken out by any captive vehicle, made between the relevant captive vehicle and the Common Security Agent (on behalf of the Senior Secured Finance Parties), in both cases as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**Assignment of Seadrill Group Downstream Claims**" means each assignment agreement, collateral to the Secured Bank Facilities Agreements, for the first priority perfected assignment of any Seadrill Group Downstream Claim, made between the relevant member of the Group and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**Assignment of Seadrill Group Downstream Loans**" means each assignment agreement, collateral to the Secured Bank Facilities Agreements, for the first priority perfected assignment of any Seadrill Group Downstream Loan, made between the relevant member of the Group and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**Auditors**" means reputable and internationally recognised accountancy firms acceptable to the Majority Lenders such as PriceWaterhouseCoopers, Deloitte, EY, and KPMG or such other firm approved in advance by the Majority Lenders (such approval not to be unreasonably withheld or delayed).

"**Base Case Model**" means the outputs of the financial model prepared as at 2 September 2021 (updated prior to the Closing Date solely for contract wins since the original date of preparation) reflecting the forecasted consolidated financial condition of the Group for at least five (5) years from the date of its preparation.

"**Borrower Replacement Letter**" means a document substantially in the form set out in Schedule 17 (*Form of Borrower Replacement Letter*).

"**Cash**" shall have the meaning given to that term in clause 6.1 (*Financial definitions*) of this Schedule.

"**Cash Consideration**" shall have the meaning given to that term in clause 2.2 (*Sale or disposal*) of this Schedule.

"**Cash Equivalents**" shall have the meaning given to that term in clause 6.1 (*Financial definitions*) of this Schedule.

"**Cash Flow Projections**" means:

(e) the Base Case Model delivered by the Parent or the Obligors' Agent to the Agent on or prior to the Closing Date; and

(f) any cash flow projections based on the Base Case Model delivered by the Parent and/or the Obligors' Agent to the Agent pursuant to and for such period as described in clause 5.1 (*Financial statements*) of this Schedule, such cash flow projections to be in a format substantially similar to the cash flow projections provided in the Base Case Model or such other format satisfactory to the Agent (acting reasonably).

"**Cash Pool Co Share Charge**" means the first priority perfected share charge, collateral to the Secured Bank Facilities Agreements, over all the shares, equity interests and/or membership interests (as applicable) of Cash Pool Co from time to time, made between RigCo and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**Cash Sweep**" means the cash sweep set out in clause 8.8 (*Cash sweep prepayment*) of the Senior Facility Agreement.

"**Cash Sweep Accounts**" means the accounts with account numbers 81014978267USD (USD), 81014978267NO (NOK), 81014978267GBP (GBP) and 81014978267EUR (EUR) opened in the name of Cash Pool Co with Danske Bank A/S and/or any other account opened by Cash Pool Co from time to time into which cash sweeps are made pursuant to clause 7.25 (*RigCo Group cash sweep*) of this Schedule.

"**Cash Sweep Account Charges**" means each first priority perfected charge over the Cash Sweep Accounts made between Cash Pool Co and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**Common Terms**" means the following provisions of this Schedule:

(g) clause 2 (*Mandatory Prepayment and Cancellation*);

(h) clause 3 (*Security*);

(i) clause 4 (*Representation and Warranties*);

(j) clause 5 (*Information Undertakings*);

(k) clause 6 (*Financial Covenants*);

(l) clause 7 (*Undertakings*);

(m) clause 8 (*Drilling Unit Covenants*);

(n) clause 9 (*Events of Default*);

(o) clauses 10.1 (*No assignment by the Obligors or the Security Providers*) 10.2 (*Changes to the Borrower*) 10.3 (*Changes to the Guarantors*) and 10.4 (*Release of Guarantors and Security Documents*);

(p) clause 11.1 (*Common Terms*); and

(q) each of the defined terms in this Schedule.

"**Contract Memo**" means a memo describing the time charter arrangement relating to any of the Drilling Units and summarising the terms thereof, to be provided by the law firm Advokatfirmaet BAHR AS or another reputable law firm appointed by the Agent and agreed by the Obligors' Agent.

"**Drilling Unit Permitted Encumbrances**" means in respect of any Drilling Unit:

(r) liens for current crews' wages and salvage;

(s) any ship repairer's or outfitter's possessory lien arising by operation of law and not exceeding USD 5,000,000; and

(t) any other Security Interest incurred in the ordinary course of operating such Drilling Unit, or otherwise in connection with maintaining, furnishing supplies and bunkers to, repairing and/or improving or altering such Drilling Unit, in each case as permitted by this Agreement, provided that the amount secured by such Security Interest does not exceed USD 5,000,000.

"**Earnings**" means all moneys whatsoever which are now, or later become, payable (actually or contingently) to any Obligor and which arise out of the use of or operation of any of the Drilling Units, including (but not limited to):

(a) all freight, hire and passage moneys payable to an Obligor, including (without limitation) payments of any nature under any charter or agreement for the employment, use, possession, management and/or operation of any of the Drilling Units;

(b) any claim under any guarantees related to freight and hire payable to an Obligor as a consequence of the operation of any of the Drilling Units;

(c) compensation payable to an Obligor in the event of any requisition of any of the Drilling Units or for the use of any of the Drilling Units by any government authority or other competent authority;

(d) remuneration for salvage, towage and other services performed by any of the Drilling Units payable to an Obligor;

(e) demurrage, detention and retention money receivable by an Obligor in relation to any of the Drilling Units;

(f) all moneys which are at any time payable under the Insurances in respect of loss of earnings;

(g) all present and future moneys and claims payable to an Obligor in respect of any breach or variation of any charterparty or contract of affreightment in respect of the Drilling Unit;

(h) if and whenever any of the Drilling Units is employed on terms whereby any moneys falling within paragraphs (a) to (g) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to such Drilling Unit(s); and

(i) any other money whatsoever due or to become due to an Obligor from third parties in relation to any of the Drilling Units,

provided however that income related to service contracts which only fulfil a local requirement in certain jurisdictions and which generate immaterial net profits in the context of the Secured Bank Facilities shall not be included.

"**Earnings Account"** means the bank account or accounts from time to time of RigCo and any relevant Drilling Unit Owner and any relevant Intra-Group Charterer into which any Earnings (including any proceeds of the Insurances) are paid.

"**Earnings Account Charge**" means each first priority perfected charge over each Earnings Account (other than any Earnings Account in relation to which the Common Security Agent (acting on the instructions of the Supra Majority Lenders) agrees does not need to be subject to an Earnings Account Charge) made between the relevant Obligor and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**EBITDA**" shall have the meaning given to that term in clause 6.1 (*Financial definitions*) of this Schedule.

"**EEA Member Country**" means any member state of the European Union, and any other member of the EEA Agreement from time to time, currently being Iceland, Liechtenstein and Norway.

"**Environmental Approval**" means any permit, licence, consent, approval and other authorisations and the filing of any notification, report or assessment required under any Environmental Law for the operation of the Drilling Units and for the operation of the business of any member of the Group.

"**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any party in respect of any Environmental Law or Environmental Approval.

"**Environmental Law**" means any applicable law or regulation which relates to:

(j) the pollution or protection of the environment;

(k) harm to or the protection of human health;

(l) the conditions of the workplace; or

(m) any emission or substance capable of causing harm to any living organism or the environment.

"**Euronext Expand Listing Conditions**" means:

(n) the spread of ownership requirement for shares in the Parent being satisfied at the applicable time in order to list on Euronext Expand in accordance with section 3.1.4.1 of the Oslo Rule Book II and/or an exemption being granted by Oslo Børs thereunder; and

(o) the free float requirement with respect to holders of shares in the Parent being satisfied at the applicable time in order to list on Euronext Expand in accordance with section 3.1.4.2 of the Oslo Rule Book II and/or an exemption being granted by Oslo Børs thereunder.

"**Excess Sales Proceeds**" means an amount equal to the Cash Consideration received by members of the RigCo Group in respect of a sale or other disposal of a Drilling Unit or Drilling Unit Owner less the amount used for (i) application pursuant to the mandatory prepayment requirements of the Secured Bank Facilities Agreements (in the case of a non-distressed disposal) or after application pursuant to the Secured Bank Facilities Agreements of recoveries following an enforcement sale (in the case of a distressed disposal) and (ii) payment of costs and expenses (including Taxation) in connection with the relevant sale or disposal.

"**Exchange(s)**" means the Euronext Expand, the OTCQX, the Oslo Stock Exchange, the New York Stock Exchange or any other internationally recognised stock exchange(s) approved by the Majority Lenders.

"**Financial Indebtedness**" means, without double counting, indebtedness for or in respect of any of the following (unless otherwise specified below, whether or not the same are required to be classified and accounted for as a liability on the face of the Group's consolidated balance sheet in accordance with the Accounting Principles):

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any agreement treated as a finance or capital lease in accordance with the Accounting Principles (other than, for the avoidance of doubt, any liability treated as an operating lease in accordance with the Accounting Principles);

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis under the Accounting Principles);

(f) any derivative transaction (and, when calculating the value of that transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of any entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition;

(h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the final maturity date of any Secured Bank Facilities Agreement or are otherwise classified as borrowings under the Accounting Principles;

(i) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question;

(j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) otherwise classified as borrowings under the Accounting Principles; and

(k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"**Financial Quarter**" shall have the meaning given to that term in clause 6.1 (*Financial definitions*) of this Schedule.

"**Financial Support**" means loans, guarantees, hedging, credits, indemnities, equity injections or equity contributions, or other similar form of credit or financial support.

"**Floating Charges**" means the first priority floating charges or similar customary all asset security, collateral to the Secured Bank Facilities Agreements, made between any Obligor, Security Provider or other member of the Group holding spare parts and/or Material IP Rights on behalf of the Group and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Secured Bank Facilities Agreements.

"**Group**" means the Parent and its Subsidiaries from time to time, excluding any Non-Recourse Subsidiary and any member of the NSNCo Group.

"**Group Restructuring**" means any reorganisation, rationalisation and/or restructuring involving the business or assets of, or shares of members of, the Group with the aim of delivering tax, operational and/or administration efficiencies, including but not limited to the merging, consolidating, amalgamating or demerging of, or corporate reconstruction or reorganisation of, members of the Group, dissolving, winding-up or striking off of members of the Group, transferring Drilling Units and/or other assets between members of the Group, moving members of the Group within the Group, rationalising intercompany balances or share capital, rationalising or creating branches or offices, change of financial year of members of the Group and/or change of place of incorporation, tax residence and/or centre of main interest of members of the Group, provided that, for the avoidance of doubt, no Group Restructuring shall involve a case being commenced under the US Bankruptcy Code against any member of the Group.

"**Guarantees**" means the guarantee(s) and indemnity(-ies) provided by the Guarantors pursuant to Clause 21 (*Guarantee and Indemnity*).

"**Guarantee Facility**" means each of:

(l) the guarantee facility agreement dated 15 June 2018 (as amended from time to time) entered into between Danske Bank, Norwegian Branch as issuing bank and RigCo; and

(m) the guarantee facility agreement dated 11 March 2021 (as amended from time to time) entered into between DNB Bank ASA as issuing bank and RigCo,

and/or any guarantee facility agreement replacing or supplementing the guarantee facility agreements referred to in (a) and (b) above, provided that the aggregate amount of the commitments thereunder does not exceed USD 60,000,000.

"**Hemen Convertible Bond**" means the USD 50,000,000 unsecured convertible bonds issued by the Parent at or about the Closing Date.

"**Holding Company**" means a company which is defined as the parent company following the principles of the Norwegian Public Companies Act of 1997 No. 45 § 1-3.

"**Hong Kong Convention**" means the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (2009).

"**IHCo**" means Seadrill Investment Holding Company Limited of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda with registration number 53437, a direct wholly-owned Subsidiary of the Parent.

"**Insurances**" means all the insurance and re-insurance policies and contracts of insurance or re-insurance including (without limitation) those entered into in order to comply with the terms of clause 8.3 (*Insurance*) of this Schedule which are from time to time in place or taken out or entered into by or for the benefit of the Obligors (whether in the sole name of the Obligors or in the joint names of the Obligors and any other person) in respect of the Drilling Units or otherwise in connection with the Drilling Units and all benefits thereunder (including claims of whatsoever nature and return of premiums).

"**Intellectual Property**" means:

(n) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and

(o) the benefit of all applications and rights to use such assets of each member of the Group.

"**Interest Payment Date**" means the last day of each Interest Period.

"**Intra-Group Charterer**" means each Subsidiary of RigCo named as an Intra-Group Charterer pursuant to Schedule 15 (*The Drilling Units*) (as updated in accordance with clause 5.11(a) of this Schedule) and any Additional Guarantor becoming an intra-group charterer in respect of a Drilling Unit in accordance with the terms of this Agreement.

"**Intra-Group Charterparties**" means each of the intra-group charterparties entered into or to be entered into between the relevant Drilling Unit Owners and the relevant Intra-Group Charterer from time to time.

"**Inventory of Hazardous Materials**" means the inventory of hazardous materials issued by the relevant classification society or a classification society approved by an independent third party describing the materials present in a ship's structure and equipment that may be hazardous to human health or the environment along with their respective location and approximate quantities, as required by the Hong Kong Convention and detailed in the International Maritime Organization's Guidelines for the development of the Inventory of Hazardous Materials (Resolution MEPC.269 (68)) and/or the Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No. 1013/2006 and Directive 2009/16/EC.

"**Investment**" means any investment in:

(p) any company or shares (or similar equity investments) or a business or undertaking (or, in each case, any interest in any of them); or

(q) any drilling unit, rig or vessel (excluding the Drilling Units), including, for the avoidance of doubt, any entry into of a contract for the acquisition of the same.

"**Investment and Acquisition Basket**" means the aggregate amount recalculated in each Compliance Certificate supplied to the Agent with the audited annual consolidated accounts of the Parent which is equal to:

(r) the lesser of:

(i) USD 50,000,000 (or its equivalent in any other currency); and

(ii) the net proceeds of the Hemen Convertible Bond received by the Group; plus

(b) the higher of:

(i) USD 100,000,000 (or its equivalent in any other currency); and

(ii) an amount equal to seventy-five per cent. (75%) of RigCo UFCF for the period of twelve (12) months ending on the last day of the financial year of the Parent calculated by reference to its most recent audited annual consolidated accounts (as adjusted to reflect the Accounting Principles applicable to the 2020 Seadrill Financial Statements and as adjusted to determine the applicable RigCo Group financial position in accordance with the corresponding RigCo Group Reconciliation Statement delivered under this Agreement),

provided that prior to the delivery of the first Compliance Certificate relating to the financial year end of the Parent the Investment and Acquisition Basket shall be calculated by the Parent without reference to the amount referred to in paragraph (b)(ii) above.

"**ISM Code**" means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention.

"**ISPS Code**" means the International Ship and Port Facility Security (ISPS) Code as adopted by the International Maritime Organization's (IMO) Diplomatic Conference of December 2002.

"**Junior Obligations Permitted Payments**" means payments from cash or cash deposits held by any member of the RigCo Group to fund:

(a) subject to the terms of the Intercreditor Agreement, payments of interest and other amounts (excluding principal) due in respect of the Hemen Convertible Bond or any refinancing of the Hemen Convertible Bond which is a Permitted Refinancing;

(b) payments of interest and other amounts (excluding principal) due in respect of any SDRL Debt Issue;

(c) payments required to be made by the Parent under any guarantee, indemnity or similar arrangement permitted under:

(i) paragraph (b) of the definition of "Permitted Non-Recourse Subsidiary Investment"; or

(ii) paragraph (c) of the definition of "Permitted Non-Recourse Subsidiary Investment",

but in each case only if such guarantee, indemnity or similar arrangement is provided for the benefit of a Non-Recourse Subsidiary that is owned, directly or indirectly, by RigCo and provided that the Parent shall use its reasonable endeavours to procure that the principal obligor meets the primary obligations in respect of which such guarantee has been provided to the extent possible, with funds available to the principal obligor, provided that, for the avoidance of doubt, nothing in this paragraph (c) shall delay or prohibit the Parent from making any payment due under a guarantee which it is satisfied has become legally due and payable under the terms of the relevant documentation; and/or

(d) fees, costs and expenses incurred by the Parent in connection with any SDRL Equity Issue,

provided that:

(i) in the case of paragraph (a) above, all amounts referred to therein paid using cash or cash deposits held by any member of the RigCo Group other than interest shall be reimbursed by the Parent to RigCo as soon as reasonably practicable or otherwise shall not exceed USD 1,000,000 in aggregate during the life of the Facilities; and

(ii) in the case of paragraphs (b) to (d) above , all amounts referred to therein paid using cash or cash deposits held by any member of the RigCo Group shall not at any time exceed the sum of:

(A) the proceeds of all SDRL Debt Issues and SDRL Equity Issues that have been advanced or otherwise contributed to the RigCo Group; less

(B) the aggregate amount (without double counting) of the following (made or provided, as applicable, by a member of the RigCo Group) (1) all Acquisitions/Investments in reliance on paragraph (k) of the definition of "Permitted Investment/Acquisition", (2) all Financial Support in reliance on paragraph (h) of the definition of "Permitted Financial Support", (3) all cash collateral in reliance on paragraph (k)(i) of the definition of "Permitted Encumbrances", (4) all Permitted Non-Recourse Subsidiary Investments to the extent funded by the proceeds of a SDRL Debt Issue or SDRL Equity Issue and (5) all Permitted NSNCo Group Investments; plus

(C) the amount of any cash proceeds received by a member of the RigCo Group from or in respect of any Acquisition or Investment (including any Acquisition of, or Investment in, a Non-Recourse Subsidiary) made using the proceeds of any SDRL Debt Issue and/or SDRL Equity Issue,

provided that the requirements in this paragraph (ii) may be waived with the consent of the Simple Majority Lenders in respect of any payment in reliance on paragraph (c)(i) above.

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Norwegian Limitation Act of 18 May 1979 or any defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction as those described under paragraphs (a) and (b) above; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to the Finance Parties under the Finance Documents.

"**Market Value**" means the fair market value of each of the Drilling Units, being the average of valuations of the Drilling Units obtained from two (2) of the Approved Brokers (selected by the Obligors' Agent) within the last thirty (30) days, without physical inspection of the Drilling Units on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing buyer and a willing seller, on an "as is, where is" basis, free of any existing contract of employment and/or similar arrangement and to take into account tangible valuation metrics (including, but not limited to, recent rig sales).

"**Material Adverse Effect**" means a material adverse effect on:

(a) the financial condition, assets, business or operation of the Obligors taken as a whole, the Group taken as a whole or the RigCo Group taken as a whole;

(b) the ability of any of the Obligors, the Group taken as a whole or the RigCo Group taken as a whole to perform any of their material obligations under the Finance Documents; or

(c) the validity or enforceability of, or the effectiveness or ranking of any security granted or purporting to be granted pursuant to any of the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

"**Material IP Rights**" means any Intellectual Property that is material to the business of the Group (taken as a whole) or the conduct of the Group's operations (taken as a whole) from time to time.

"**Mortgages**" means each of the first priority perfected mortgages and any deed of covenants collateral thereto, executed by each of the Drilling Unit Owners against each of the respective Drilling Units in a Ship Registry in favour of the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligors' obligations under the Senior Secured Finance Documents, each to cover an amount of up to USD 1,240,000,000 (to the extent any limitation is required).

"**Non-Cash Consideration**" shall have the meaning given to that term in clause 2.2 (*Sale or disposal*) of this Schedule.

"**Non-Recourse Subsidiary**" means a Subsidiary of the Parent or RigCo which:

(d) is not an "Obligor" or "Security Provider";

(e) is not the owner (directly or indirectly) at any time of:

(i) any Obligor, Security Provider, Seadrill Management or Seadrill Global Services, and provided further that any entity owned (directly or indirectly) by such Non-Recourse Subsidiary must also qualify as a "Non-Recourse Subsidiary"; or

(ii) any other assets contributed or otherwise transferred by a member of the Group, save for any assets qualifying as a Permitted Non-Recourse Subsidiary Investment;

(c) does not receive any funding from any member of the Group, save for any funding which constitutes a Permitted Non-Recourse Subsidiary Investment;

(d) has no claims against any member of the Group, other than (i) against another Non-Recourse Subsidiary, (ii) in respect of any Permitted Non-Recourse Subsidiary Investment made or provided by any member of the Group to such Non-Recourse Subsidiary or (iii) in respect of any transaction (excluding, for the avoidance of doubt, any intra-group loans or the provision of any other funding or Financial Support not constituting a Permitted Non-Recourse Subsidiary Investment from any member of the Group) entered into with any member of the Group in the ordinary course of operations on arm's length terms (as determined by the board of directors of the relevant member of the Group or a member of senior management of the Parent, in each case acting reasonably) and otherwise in compliance with the terms of this Agreement;

(e) whose creditors do not have any recourse against or any credit support of any kind (including, without limitation, any recourse created by any guarantee, keep well or similar agreement) from any other member of the Group, other than in respect of any Financial Support constituting a Permitted Non-Recourse Subsidiary Investment provided by another member of the Group for the benefit of such Non-Recourse Subsidiary; and

(f) has been designated by the Parent or RigCo (as applicable) as a "Non-Recourse Subsidiary" and notified to the Agent, such notification to include a confirmation by the board of directors of the Parent or of RigCo (as applicable) that (i) the designation of the relevant Subsidiary complies with the terms set out in paragraphs (a) to (e) above, and (ii) no Default is continuing or is likely to occur as a result of the relevant Subsidiary becoming a Non-Recourse Subsidiary.

"**NSNCo**" means Seadrill New Finance Limited of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda with registration number 53451.

"**NSNCo Group**" means NSNCo and its Subsidiaries from time to time.

"**Original Financial Statements**"means the unaudited consolidated opening financial statements of the Parent to be delivered for the Financial Quarter ending 31 March 2022.

"**Perfection Requirements**" means the making or procuring of the necessary registrations, filings, endorsements, notarisation, stamping and/or notification of the Security Documents and/or the Security Interests thereunder necessary for the validity, perfection, establishing priority and enforceability thereof, including those contemplated in the Security Documents and the payment of any fees associated therewith.

"**Permitted Cash and Cash Equivalents Collateral Threshold**" means USD 100,000,000 (or its equivalent in other currencies).

"**Permitted Disposal**" means any disposal:

(g) pursuant to any contractual commitment or agreement existing at the Closing Date and disclosed in writing to the Agent prior to the Closing Date including, without limitation, as part of the arrangements contractually agreed prior to the Closing Date for the Qatar Joint Venture or Sonadrill Joint Venture or the Ship Finance Arrangements and including (regardless of whether contractually committed to or agreed to as at the Closing Date) the bareboat charter of the Drilling Unit West Gemini and the novation of the associated drilling contract with Total Angola in each case to the Sonadrill Joint Venture;

(h) permitted pursuant to clause 2.2 (*Sale or disposal*) of this Schedule, clause 8.7 (*Recycling Units*) of the Senior Facility Agreement or clause 7.11 (*Mergers and demergers*) of this Schedule;

(i) permitted pursuant to clause 7.16(b) (*Disposals*) of this Schedule;

(j) in respect of the Seadrill Group only, to another member of the Seadrill Group;

(k) in respect of the RigCo Group, to another member of the RigCo Group;

(l) pursuant to a Permitted Group Restructuring;

(m) of trading stock made by any member of the Group in the ordinary course of business of the disposing entity;

(n) of assets in exchange for other assets (other than drilling units, rigs, vessels or shares) comparable or superior as to type, value and quality;

(o) of vehicles, plant and equipment that are redundant or obsolete or otherwise no longer required by the relevant member of the Group for its business or operations, provided that (unless the value of the relevant asset is considered by the relevant member of the Group (acting reasonably) to be de minimis) such disposal is for cash;

(p) of any capital equipment or spare parts relating to, or to be used in connection with, any drilling unit, rig or vessel (but not any drilling unit, rig or vessel itself) either (i) in exchange for other capital equipment or spare parts required by the member of the Group making the disposal or (ii) pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.;

(q) which is the application of cash not otherwise prohibited by the terms of the Secured Bank Facilities Agreements;

(r) which is the granting of any licence of Intellectual Property or lease or licence in each case in the ordinary course of business or otherwise where the board of directors of the Parent (acting reasonably) considers this to be in the best interests of the Group;

(s) of assets pursuant to the creation of any Security Interest not otherwise prohibited under the terms of the Secured Bank Facilities Agreements;

(t) which is the granting of any lease, drilling contract, charter, bareboat charter or operating lease, in each case entered into in the ordinary course of business and including any lease or charter (including bareboat charter) entered into with any joint venture or similar arrangement contemplated by and in compliance with clause 7.21(f) (*Ownership*) of this Schedule;

(u) to give effect to any ownership or joint venture structure contemplated by, and which is in compliance with, clause 7.21(f) (*Ownership*) of this Schedule;

(v) any disposal of any interest in any joint venture or similar arrangement which was entered into in compliance clause 7.21(f) (*Ownership*) of this Schedule or any interest in the Qatar Joint Venture or the Sonadrill Joint Venture where such disposal is made to facilitate or effect the unwinding or termination of such arrangement (other than, for the avoidance of doubt, the disposal of shares or other ownership interest in a Drilling Unit Owner or Intra-Group Charterer);

(w) of Cash Equivalents for cash or in exchange for other Cash Equivalents;

(x) of Material IP Rights to another member of the Group provided that the Finance Parties will continue to have the same or substantially equivalent security over such Material IP Right;

(y) any:

(i) interest in any Non-Recourse Subsidiary; or

(ii) minority interest in any entity (other than a member of the Group) that was acquired using the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue in reliance on paragraph (k) of the definition of "Permitted Investment/Acquisition" or in consideration for a SDRL Equity Issue and/or SDRL Debt Issue;

(t) not permitted by the preceding paragraphs above or paragraph (u) below, and not being a Drilling Unit, Material IP Rights, the shares of any Obligor, Drilling Unit Owner or Security Provider or any asset subject to a Security Interest under the Security Documents provided that:

(i) the disposal is made on arm's length terms for what the board of directors of the Parent or RigCo (acting reasonably) considers to be fair value; and

(ii) the net consideration receivable (when aggregated with the net consideration receivable for any other such disposal) does not exceed in any financial year of the Parent an amount equal to USD 10,000,000 (or its equivalent in any other currency); or

(u) consented to by the Supra Majority Lenders.

"**Permitted Encumbrances**" means:

(v) any Security Interest existing at the Closing Date or any Security Interest legally required to be created under arrangements existing at the Closing Date and disclosed in writing to the Agent prior to the Closing Date;

(w) in respect of the Seadrill Group, any Security Interest on any property or assets of a member of the Seadrill Group granted in favour of another member of the Seadrill Group;

(x) in respect of the RigCo Group, any Security Interest on any property or assets of a member of the RigCo Group granted in favour of another member of the RigCo Group;

(y) any netting or set-off arrangement entered into by:

(i) any member of the Seadrill Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Seadrill Group (including as part of any multi-account overdraft, group cash pool or group cash management arrangements); or

(ii) any member of the RigCo Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the RigCo Group (including as part of any multi-account overdraft, group cash pool or group cash management arrangements);

(e) any rights of set-off arising in respect of any member of the Group in the ordinary course of its business and not securing Financial Indebtedness;

(f) any lien arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any member of the Group;

(g) any Security Interest arising in connection with any unpaid Tax where the Tax is not yet due and payable or where the liability to pay such Tax is being contested in good faith by appropriate proceedings;

(h) any Security Interest arising under any court order or injunction or for costs arising in connection with any litigation or court proceedings being contested by any member of the Group in good faith;

(i) any payment or close out netting or set-off arrangement pursuant to any derivative or hedging transaction entered into by any member of the Group constituting Permitted Financial Indebtedness;

(j) any cash collateral provided under, in respect of or in connection with any counter-indemnity obligation in respect of any letter of credit, bank guarantee or similar provided on behalf of any member of the Group in respect of obligations other than for the repayment of Financial Indebtedness;

(k) any cash collateral provided under, in respect of or in connection with any counter-indemnity obligation in respect of any letter of credit, bank guarantee or similar not falling within paragraph (j) above which is funded with:

(i) the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue; or

(ii) in connection with any letter of credit, bank guarantee or similar provided on behalf of any member of the RigCo Group only, Excess Sales Proceeds permitted to be retained from a sale or disposal of a Drilling Unit or Drilling Unit Owner in accordance with clause 2.2 (*Sale or disposal*) of this Schedule;

(l) any cash collateral provided under, in respect of or in connection with any counter-indemnity obligation in respect of any Guarantee Facility;

(m) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to any member of the Group in the ordinary course of business;

(n) any Security Interest instituted by or arising under any lease, charter or hire purchase arrangement entered into in the ordinary course of business;

(o) any Drilling Unit Permitted Encumbrance;

(p) deposits or grants of any other Security Interest to secure the performance of any bid, commercial contract, operational lease, Intellectual Property rights, insurance contract, surety bond, performance bond, import duty or Tax liability or like obligations or to secure any public, statutory or regulatory obligations, in each case incurred in the ordinary course of business;

(q) any Security Interest securing Financial Indebtedness permitted pursuant to paragraph (z) of the definition of "Permitted Financial Indebtedness" existing on

property or assets of any Existing Debt Subsidiary (as defined in the definition of "Permitted Financial Indebtedness"), provided that such Existing Debt Subsidiary and each of its Subsidiaries meets the criteria for designation as a "Non-Recourse Subsidiary" and is promptly designated as such by the Parent or RigCo (as applicable);

(r) any Security Interest on the property of any member of the Group in favour of the landlord of such property securing licences, subleases or leases (including rental deposits);

(s) any attachment or judgment Security Interest or Security Interest otherwise arising as a result of legal proceedings and assessments by authorities not constituting an Event of Default;

(t) any Security Interest created pursuant to the Security Documents;

(u) any Security Interest over any Recycling Assets granted in accordance with the terms of the Senior Facility Agreement and the Recycling Proceeds Agreement;

(v) any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements;

(w) any Security Interest over the shares or other ownership interest in any Non-Recourse Subsidiary to secure Financial Indebtedness of that Non-Recourse Subsidiary and/or any other Non-Recourse Subsidiary;

(x) any Security Interest incurred in the ordinary course of business arising from the dry-docking or maintenance of drilling unit(s), rig(s) or vessel(s), the furnishing of supplies and bunkers to drilling unit(s), rig(s) or vessel(s) and/or repairs, improvements or other alterations to drilling unit(s), rig(s) or vessel(s), crews' wages, maritime liens and liens for salvage;

(y) any Security Interest securing Local Facilities (as defined under "Permitted Financial Indebtedness") the outstanding principal amount of which does not exceed in aggregate USD 20,000,000 (or its equivalent in any other currency) at any time;

(z) any Security Interest on any property or assets of a member of the Group in addition to that permitted under paragraphs (a) to (y) above or paragraph (aa) below, securing Financial Indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Financial Indebtedness which has the benefit of any Security Interest given by any member of the Group (other than any permitted under paragraphs (a) to (y) above or paragraph (aa) below)) does not exceed in aggregate USD 25,000,000 (or its equivalent in any other currency) at any time; or

(aa) any Security Interest consented to by the Supra Majority Lenders.

"**Permitted Entity**" means any limited liability company, business or undertaking which:

(a) is carried on as a going concern where at least fifty point zero one per cent (50.01%) of the voting capital of such company, business or undertaking is acquired pursuant to the relevant Permitted Investment/Acquisition;

(b) is incorporated or carries on business in a country which is not a Sanctioned Country, is not the subject of Sanctions and is not established and does not carry on business in any Sanctioned Country or with any person that is the subject of Sanctions;

(c) to the knowledge of the Borrower (after due and careful enquiry), has no material contingent liabilities other than those that are permitted under the Finance Documents or are indemnified by the relevant vendor or are insured against or reserved against in the accounts of the entity or business (or a combination of the foregoing), in each case to the satisfaction of the Borrower acting reasonably and in good faith; and

(d) is engaged in business which is similar to or complementary to the business of the RigCo Group.

"**Permitted Financial Indebtedness**" means any Financial Indebtedness which:

(a) is existing at the Closing Date or arises pursuant to any legally binding commitment or arrangement existing or any facility available at the Closing Date, in each case as disclosed in writing to the Agent prior to the Closing Date (including, without limitation, under the Ship Finance Arrangements);

(b) in respect of the Seadrill Group only:

(i) is owed by one member of the Seadrill Group to another member of the Seadrill Group; or

(ii) any RigCo Upstream Loan, provided that such loans are subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

(c) in respect of the RigCo Group only, is owed by one member of the RigCo Group to another member of the RigCo Group, provided that such loans are subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

(d) in respect of RigCo only, any Seadrill Group Downstream Loan, provided that any such loans are subject to an Assignment of Seadrill Group Downstream Loans and subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

(e) in respect of the Seadrill Group only, is or arises under any obligation in respect of Financial Indebtedness of one or more members of the Seadrill Group which is assumed by or transferred or novated to another member of the Seadrill Group;

(f) in respect of the RigCo Group only, is or arises under any obligation in respect of Financial Indebtedness of one or more members of the RigCo Group which is assumed by or transferred or novated to another member of the RigCo Group;

(g) in respect of the Seadrill Group only, arises from any netting, setting off, multi-account overdraft, group cash pool or group cash management arrangements relating only to members of the Seadrill Group;

(h) in respect of the RigCo Group only, arises from any netting, setting off, multi-account overdraft, group cash pool or group cash management arrangements relating only to members of the RigCo Group;

(i) is or arises under a guarantee from the Parent for or in respect of any Permitted Financial Indebtedness;

(j) is outstanding under the Secured Bank Facilities Agreements (in an aggregate principal amount no greater than the amount as at the Closing Date plus any additional amounts expressly permitted under the terms of the Secured Bank Facilities Agreements as at the Closing Date (including any capitalised interest));

(k) in respect of the Parent only, is outstanding under the Hemen Convertible Bond (as at the Closing Date), provided that the outstanding principal amount thereunder shall not exceed USD 50,000,000;

(l) in respect of the Parent only, arises pursuant to any SDRL Debt Issue;

(m) arises pursuant to any Incremental Facility;

(n) arises pursuant to any Refinancing Facility;

(o) arises pursuant to any Guarantee Facility;

(p) arises pursuant to a Permitted Refinancing;

(q) is an amount of any liability (i) under any advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services, or (ii) arising under any commercial agreement or arrangement by virtue of the extension, deferral, reduction or other variation of payment terms, in each case in the ordinary course of business;

(r) arises from the endorsement of negotiable instruments in the ordinary course of trading;

(s) arises under any derivative or hedging transaction which is entered into for hedging purposes and is not of a speculative nature;

(t) is or arises under or pursuant to any Permitted Financial Support other than pursuant to paragraph (j) of the definition of "Permitted Financial Support";

(u) arises pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.;

(v) is owed by a member of the Group to Seadrill Management, Seadrill Global Services, Seadrill Americas, Inc. or Seadrill Insurance in relation to services provided by those companies in the ordinary course of business;

(w) is pursuant to a facility or facilities entered into in order to manage the business or operations of the Group in a particular jurisdiction (each a "**Local Facility**") and incurred by a member of the Group other than RigCo incorporated, formed or operating in such jurisdiction where the outstanding amount of which does not exceed in aggregate USD 20,000,000 (or its equivalent in any other currency) at any time;

(x) arising pursuant to any guarantees from a Recycling Unit Owner in relation to the Recycling Assets it holds or any document granting or creating a Security Interest over any such Recycling Asset;

(y) arises under finance or capital leases of assets entered into by members of the Group, provided that:

(i) the board of directors of the Parent (acting reasonably) determines that the net present value of the contracted revenue associated with the asset(s) to be leased exceeds the net present value of all the payments due under the relevant lease (excluding any optional balloon payment at the end of such lease); and

(ii) in the case of all other assets leased from time to time by the Group in respect of which a determination is not made as described in paragraph (i) above, the aggregate capital value of all such assets under outstanding leases entered into by members of the Group does not exceed USD 25,000,000 (or its equivalent in any other currency) at any time;

(z) Financial Indebtedness of any person acquired by a member of the Group which is subsisting at the time such person is acquired by a member of the Group (an "**Existing Debt Subsidiary**"), provided that such person and each of its Subsidiaries meets the criteria for designation as a "Non-Recourse Subsidiary" and is promptly designated as such by the Parent or RigCo (as applicable);

(aa) is Financial Indebtedness of a member of the Group in addition to that permitted under paragraphs (a) to (z) above or paragraph (bb) below, the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Financial Indebtedness of the Group (other than any permitted under paragraphs (a) to (z) above or paragraph (bb) below)) does not exceed in aggregate USD 25,000,000 (or its equivalent in any other currency) at any time; or

(ab) is consented to by the Supra Majority Lenders.

"**Permitted Financial Support**" means any Financial Support (excluding (i) other than in respect of paragraph (j) below, any Financial Support to a Non-Recourse Subsidiary, and/or (ii) other than in respect of paragraph (k) below, any Financial Support to the NSNCo Group):

(ac) existing at the Closing Date or that any member of the Group is contractually or otherwise legally obliged to provide as at the Closing Date and disclosed in writing to the Agent prior to the Closing Date (including, without limitation, as part of the arrangements agreed prior to the Closing Date for the Qatar Joint Venture or Sonadrill Joint Venture or the Ship Finance Arrangements) and any refinancing,

reissuance or extension of the same or assignment or transfer of any rights therein from a member of the RigCo Group to another member of the RigCo Group provided that the principal amount thereof is not increased and, if the provider of such Financial Support is a member of the Seadrill Group, the provider of such Financial Support continues to be a member of the Seadrill Group;

(ad) which is a guarantee, indemnity or similar arrangement provided by the Parent in relation to any contractual or other arrangement of any member of the Group entered into in the ordinary course of business;

(ae) which is a guarantee, indemnity or similar arrangement provided by RigCo in relation to any contractual or other arrangement of any member of the RigCo Group entered into in the ordinary course of business;

(af) provided for the benefit of any Drilling Unit Owner or Intra-Group Charterer, or otherwise to facilitate or secure the employment of any Drilling Unit, which is a guarantee, indemnity or similar arrangement under or pursuant to any Intra-Group Charterparty or Charter Contract for or in respect of any Drilling Unit or otherwise provided under the terms of any charter or other agreement or arrangement relating to the employment, use, possession, management, maintenance, improvement or other alteration, storage and/or operation of any Drilling Unit entered into in the ordinary course of business or consistent with past practice;

(ag) which is provided, procured, created or permitted to subsist in the ordinary course of trading of any member of the Group;

(ah) arising pursuant to the provision of any administrative, accounting, management or operational services in the ordinary course of business of any member of the Group;

(ai) arising pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.;

(aj) funded by the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue;

(ak) provided for the benefit of a member of the RigCo Group and funded by any Excess Sales Proceeds permitted to be retained from a sale or disposal of a Drilling Unit or Drilling Unit Owner in accordance with clause 2.2 (*Sale or disposal*) of this Schedule;

(al) pursuant to a Permitted Non-Recourse Subsidiary Investment;

(am) pursuant to a Permitted NSNCo Group Investment;

(an) which constitutes a Permitted Investment/Acquisition;

(ao) which comprises Financial Indebtedness made available by a member of the Group to another member of the Group which is permitted pursuant to clause 7.14 (*Restrictions on Financial Indebtedness*) of this Schedule;

(ap) not permitted by the preceding paragraphs or paragraph (o) below where the cumulative amount does not exceed USD 25,000,000 (or its equivalent in any other currency) in aggregate for the Group at any time; or

(aq) consented to by the Supra Majority Lenders.

"**Permitted Group Restructuring**" means:

(ar) any steps or matters set out in Section 7. Reorganisation Steps – Debt Restructuring in the Transaction Steps Plan;

(as) any Group Restructuring where:

(i) if such Group Restructuring affects, directly, any Obligor or Security Provider, the Obligors' Agent has provided the Agent and the Common Security Agent with reasonably detailed information of the proposed Group

Restructuring no later than ten (10) Business Days prior to the proposed completion;

(ii) all of the business, assets (including, for the avoidance of doubt, the Drilling Units and related assets) and shares of (or other interests in) the RigCo Group will continue to be wholly owned (directly or indirectly) by RigCo (excluding, for the avoidance of doubt, by any Non-Recourse Subsidiary) following completion such Group Restructuring (except, for the avoidance of doubt, as permitted by clause 7.21(f) (*Ownership*) of this Schedule);

(iii) the Lenders will continue to have the same or substantially equivalent guarantees and security over the same or substantially equivalent assets and shares (including, for the avoidance of doubt, security which provides the Finance Parties with a single point of enforcement over the RigCo Group in an Approved Borrower Jurisdiction) following completion of such Group Restructuring;

(iv) no Default is continuing or would result from the proposed Group Restructuring;

(v) in relation to any change of place of incorporation, tax residence or centre of main interest of any member of the Group, the Parent has considered the tax implications of such change (including, where appropriate, with the benefit of external advice) and concluded (acting reasonably and in good faith) that the change will not (A) have a material adverse effect on the tax position of the Group or (B) be otherwise prejudicial in any material respect to the interests of the Lenders under the Finance Documents; and

(vi) if the relevant member of the Group is an Obligor, the procedures set out in clauses 10.2 (*Changes to the Borrower*), 10.3 (*Changes to the Guarantors*) and 10.4 (*Release of Guarantors and Security Documents*) of this Schedule are (to the extent applicable to the Permitted Group Restructuring) complied with (including delivery of an executed Accession Deed and/or Borrower Replacement Letter (as applicable) and satisfaction of the other conditions precedent required thereunder),

provided that no Permitted Group Restructuring shall result in an Obligor which is incorporated in an Approved Guarantor Jurisdiction being (or being replaced by a surviving entity) incorporated or having its centre of main interests in a jurisdiction other than (i) in respect of a Guarantor, an Approved Guarantor Jurisdiction, and (ii) in respect of the Borrower or RigCo, an Approved Borrower Jurisdiction.

"**Permitted Investment/Acquisition**" means any Investment or Acquisition (excluding (i) other than in respect of paragraph (h) below, any Investment in or Acquisition of or in respect of any Non-Recourse Subsidiary (excluding any Existing Debt Subsidiary), (ii) other than in respect of paragraphs (h) or (n) below, any Investment in or Acquisition of or in respect of any Existing Debt Subsidiary, provided however that only an initial Acquisition of or in respect of any Existing Debt Subsidiary shall be permitted in reliance on paragraph (n), and/or (iii) other than in respect of paragraph (i) below, any Investment in or Acquisition in respect of the NSNCo Group):

(a) which arises pursuant to any legally binding obligation, commitment or arrangement of any member of the Group existing at the Closing Date which was disclosed in writing to the Agent prior to the Closing Date including, without limitation, as part of the arrangements agreed prior to the Closing Date for the Qatar Joint Venture or Sonadrill Joint Venture or the Ship Finance Arrangements;

(b) in respect of the Seadrill Group, any acquisition from, or of shares or similar equity investments issued by, another member of the Seadrill Group, any investment in another member of the Seadrill Group or any Seadrill Group Downstream Loan;

(c) in respect of the RigCo Group, any acquisition from, or of shares or similar equity investments issued by, another member of the RigCo Group, any investment in another member of the RigCo Group, provided that any Investment in a non-wholly

owned (directly or indirectly) Subsidiary of the RigCo Group shall be subject to the requirements of paragraph (l) below;

(d) in respect of IHCo, any acquisition of shares or similar equity investments issued by RigCo;

(e) any incorporation of a company with limited liability which on incorporation becomes a member of the Group or the acquisition of a shelf company having no material assets or liabilities at the time of acquisition;

(f) of shares in the Parent from any director, officer or other employee of any member of the Group in connection with the termination of that person's employment or repurchase of any options granted in the course of that person's employment;

(g) pursuant to the operation of any management incentive scheme of the Group or any part thereof from time to time in operation;

(h) pursuant to a Permitted Non-Recourse Subsidiary Investment;

(i) pursuant to a Permitted NSNCo Group Investment;

(j) pursuant to a Permitted Group Restructuring;

(k) funded by the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue;

(l) any Acquisition of any interest in, and any Investment in, any joint venture or similar arrangement in compliance with clause 7.21(f) (*Ownership)* of this Schedule (including any Acquisition or Investment to facilitate the unwinding or termination of such arrangement) and provided that any Investment in a joint venture or similar arrangement under this paragraph (l) is:

(i) made for the purposes of capitalising and/or financing the activities of that joint venture or similar arrangement; and

(ii) in an amount which is proportionate to the economic interest acquired by the Group in that joint venture or similar arrangement (including, for this purpose any direct or indirect rights to revenue streams generated by or arising from the activities of that joint venture or arrangement);

(m) by or in a member of the RigCo Group and funded by any Excess Sales Proceeds permitted to be retained from a sale or disposal of a Drilling Unit or Drilling Unit Owner in accordance with clause 2.2 (*Sale or disposal*) of this Schedule;

(n) to the extent not falling within paragraphs (a) to (m) above or paragraph (o) below, where the sum of the consideration paid and any liability (whether actual or contingent) assumed (including any deferred settlement) by any member of the Group in respect of such Investment or Acquisition (when aggregated with the amount of any other Investment or Acquisition entered into pursuant to this paragraph (n)) does not at the time of entering into a legally binding commitment to make such Investment or Acquisition exceed the then applicable Investment and Acquisition Basket and which meets the following conditions:

(i) no Default is continuing as at the date the Investment or Acquisition is committed to be made or is completed, or would result from the Investment or Acquisition;

(ii) the board of directors of the Parent (acting reasonably) expects the relevant Investment or Acquisition to generate a positive return on investment during the life of the Investment or Acquisition;

(iii) if the Investment or Acquisition is of a drilling unit or drilling unit owner, a firm charter contract is in place for such drilling unit or drilling unit owner; and

(iv) if the Acquisition or Investment is of a limited liability company, business or undertaking, such limited liability company, business or undertaking (the "Target") must be:

(A) a Permitted Entity; and

(B) profitable on an EBITDA basis (as determined by reference to the most recent financial information of the Target available to the Group as at the testing date, and with references to "RigCo Group" in the definition of "EBITDA" replaced by references to the Target (on a consolidated basis, if applicable)) for the twelve (12) months ending on the most recent financial quarter of the Target (after taking into account the amount of annual costs savings and synergies that the board of directors of the Parent (acting reasonably) believes would have been realised within eighteen (18) months from the integration of the Target into the business and operations of the RigCo Group); or

(o) consented to by the Supra Majority Lenders,

provided that in the case of an Investment or Acquisition in accordance with paragraphs (m) and (n) above: (i) any asset invested in or acquired shall (A) be owned (directly or indirectly) by RigCo, and (B) subject to the Security Principles, be pledged as security in favour of the Senior Secured Finance Parties in form and substance satisfactory to the Common Security Agent (acting reasonably); and (ii) subject to the Security Principles and other than any asset of any Existing Debt Subsidiary, to the extent any asset acquired is a drilling unit, rig or vessel, such drilling unit, rig or vessel shall be a "Drilling Unit" and the owner thereof shall be a "Drilling Unit Owner" and be subject to the guarantee and security arrangements contemplated under the Secured Bank Facilities Agreements.

"**Permitted Non-Recourse Subsidiary Investment**" means any Financial Support or investment by the Group to or in a Non-Recourse Subsidiary:

(a) funded by the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue (including an acquisition of a Non-Recourse Subsidiary funded by such proceeds or made in consideration for a SDRL Equity Issue and/or SDRL Debt Issue);

(b) comprising the provision by the Parent of any guarantee, indemnity or similar arrangement for the benefit of a Non-Recourse Subsidiary which is customarily provided in relation to any contractual or other arrangement of that Non-Recourse Subsidiary entered into in the ordinary course of operations;

(c) subject to the consent of the Simple Majority Lenders, comprising the provision by the Parent of any guarantee, indemnity or similar arrangement for the benefit of a Non-Recourse Subsidiary which guarantees or is an indemnity or other similar arrangement in respect of any Financial Indebtedness of that Non-Recourse Subsidiary; or

(d) to the extent not permitted by the preceding paragraphs, where the cumulative amount does not exceed USD 10,000,000 (or its equivalent in any other currency) in aggregate for the Group at any time and provided that no Default is continuing as at the date the transaction is committed to be made or is completed, or would result from the transaction.

"**Permitted NSNCo Group Investment**" means any Financial Support or Investment by the Group to or in the NSNCo Group funded by the proceeds of a SDRL Equity Issue.

"**Permitted Refinancing**" means a refinancing of the whole or any part of any Financial Indebtedness referred to in paragraphs (a) and (k) of the definition of "Permitted Financial Indebtedness" (including any and all subsequent refinancings of any such Financial Indebtedness) where the Financial Indebtedness incurred:

(e) is the same type of facility or financial instrument as the relevant Financial Indebtedness to be refinanced;

(f) is in an aggregate principal amount that does not at any time exceed the aggregate principal amount of the relevant Financial Indebtedness to be refinanced (including, in each case, drawn and undrawn commitments and including the amount of any exit, prepayment, make-whole or other similar fee that is payable pursuant to the refinancing);

(g) is incurred (and immediately applied) for the sole purpose of refinancing the relevant Financial Indebtedness;

(h) has the same or lower ranking and security position as the relevant Financial Indebtedness to be refinanced;

(i) has a final maturity no earlier than the relevant Financial Indebtedness to be refinanced; and

(j) is subject to the terms of the Intercreditor Agreement, provided however that this condition shall only apply to the extent the relevant Financial Indebtedness to be refinanced is subject to the terms of the Intercreditor Agreement.

"**Porting Consideration**" shall have the meaning given to that term in clause 2.2 (*Sale or disposal*) of this Schedule.

"**Public Lender Information**" shall have the meaning given to that term in clause 5.14 (*Public Lenders*) of this Schedule.

"**Qatar Joint Venture**" means the joint venture with Gulf Drilling International Limited ("GDI") which includes the bareboat charter of the Drilling Units named West Tucana, West Castor and West Telesto by their respective Drilling Unit Owners to the joint venture group.

"**Quarter Date**" shall have the meaning given to that term in clause 6.1 (*Financial definitions*) of this Schedule.

"**Quiet Enjoyment Letter**" means any letter agreement entered or to be entered into between the Common Security Agent (on behalf of the Senior Secured Finance Parties) and the relevant end-user of a Drilling Unit, if required by the relevant end-user pursuant to the relevant drilling contract, regulating the enforcement of a Mortgage on terms acceptable to the Common Security Agent (acting on the instructions of each of the Majority Senior Lenders and the Majority Lenders).

"**Recycling Assets**" means any shares or other ownership interest in the Recycling Unit Owners, the Recycling Units and any Insurance and Earnings related to the Recycling Units.

"**Recycling Proceeds Agreement**" means an agreement entered into between the Agent, the Common Security Agent and the Recycling Unit Owners on or about the Closing Date.

"**Recycling Units**" means each of the drilling units listed in Schedule 16 (*The Recycling Units*), each of which is owned by the respective Recycling Unit Owner.

"**Recycling Unit Owners**" means each of the owners of the respective Recycling Units as set out in Schedule 16 (*The Recycling Units*).

"**Refinancing Facility**" means any additional debt incurred by the Borrower provided that:

(a) the aggregate amount of such additional debt does not at any time exceed the amount of outstanding principal amounts and commitments under the Senior Facility at the time of the incurrence of the Refinancing Facility;

(b) it is incurred (and immediately applied) for the sole purpose of refinancing the Senior Facility in full;

(c) it shall rank pari passu with the Senior Facility;

(d) it shall not benefit from any guarantees or security other than those provided in favour of the Senior Secured Finance Parties pursuant to the Senior Secured Finance Documents;

(e) the creditor representative thereunder (if not already party in such capacity) has acceded to the Intercreditor Agreement as a "Creditor Representative"; and

(f) the all-in-yield (taking into account interest margins, interest rate floors and upfront fees and original issue discount (assuming a three year average life to maturity), but excluding arrangement, underwriting or structuring fees that are not shared with all lenders), maturity, amortisation, prepayment rights and financial covenants of any such additional debt shall not be more favourable for the creditors of such additional debt than those which apply to the Senior Facility.

"**Relevant Guarantee Portion**" means, in relation to the relevant Drilling Unit(s), an amount equal to A x B/C, where:

A is the aggregate of all outstanding loans and available commitments under the Secured Bank Facilities at the relevant time;

B is the Market Value of the Drilling Unit(s) owned by the relevant Drilling Unit Owner; and

C is the aggregate Market Value of all Drilling Units.

"**Relevant Jurisdiction**" means, in relation to an Obligor:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Relevant Period**" shall have the meaning given to that term in clause 6.1 (*Financial definitions*) of this Schedule.

"**Replacement Borrower**" means an entity being a:

(a) wholly owned Subsidiary (directly or indirectly) of the Parent and which wholly owns (directly or indirectly) RigCo; or

(b) wholly owned Subsidiary (directly or indirectly) of RigCo,

in each case which is incorporated in an Approved Borrower Jurisdiction.

"**Restricted Party**" means a person that (i) is listed on any Sanctions List, (ii) is domiciled, registered as located or has its main place of business in, or is incorporated under the laws of, a Sanctioned Country, (iii) is directly or indirectly owned more than 50 per cent (50%) by or controlled by a person referred to in (i) and/or (ii) above.

"**RigCo Accounts**" means the accounts with account numbers 8101.49.57936 (USD), 8101.49.57960 (GBP), 8101.49.57987 (NOK) and 8101.49.57928 opened in the name of RigCo with Danske Bank, Norwegian Branch and/or any other account supplementing and/or replacing such accounts.

"**RigCo Account Charges**" means each first priority perfected charge over the RigCo Accounts made between RigCo and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**RigCo Covenant Liquidity**" shall have the meaning given to that term in clause 6.1 (*Financial definitions*) of this Schedule.

"**RigCo Group**" means RigCo (or any Borrower which wholly owns (directly or indirectly) RigCo) and its Subsidiaries from time to time excluding any Non-Recourse Subsidiary.

"**RigCo Group Minimum Liquidity Requirement**" shall have the meaning given to that term in clause 6.2 (*RigCo Group Minimum Liquidity*) of this Schedule.

"**RigCo Group Reconciliation Statement"** means a document, in the Agreed Format, setting out a balance sheet, income statement and cash flow statement of the RigCo Group (prepared using the financial information from, and Accounting Principles, accounting practices and reference period applied in, the corresponding set of accounts delivered pursuant to clause 5.1(a)(i) or 5.1(a)(ii) of this Schedule for the purpose of showing the financial position of the RigCo Group (which for the avoidance of doubt, shall not include any Non-Recourse Subsidiary) as at the end of the Relevant Period.

"**RigCo Ongoing Liquidity**" means the aggregate amount of Cash and Cash Equivalents of the RigCo Group:

(a) plus undrawn and available amounts under the Revolving Facility (for the avoidance of doubt, such amount to be zero at any time the Revolving Facility is not permitted to be utilised pursuant to the terms of this Agreement as a result of default (or otherwise));

(b) less the amount of any:

  (i) SPS (Special Periodic Survey) costs and/or mobilisation costs which are reasonably expected to be applied or are otherwise committed to be applied within 90 days, net of any mobilisation fees related to any Drilling Unit for which any mobilisation costs have been excluded; and

  (ii) drawn Incremental Facility which has not yet been applied towards its permitted purpose.

"**RigCo Share Charge**" means the first priority perfected share charge, collateral to the Secured Bank Facilities Agreements, over all the shares, equity interests and/or membership interests (as applicable) of RigCo from time to time, made between IHCo and the Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligor's obligations under the Senior Secured Finance Documents.

"**RigCo UFCF**" means the unlevered free cashflow of the RigCo Group calculated as EBITDA adjusted (without double counting so that no amount added, deducted or excluded in determining EBITDA will be added or deducted again in calculating RigCo UFCF and no amount will be added or deducted more than once in calculating RigCo UFCF):

(a) by deducting any increase in working capital or adding any decrease in working capital;

(b) by deducting the amount paid in respect of capital expenditure;

(c) by deducting the amount paid in respect of reactivation costs except to the extent funded by (i) insurance proceeds or (ii) customer reimbursement or prefunding (however structured);

(d) by deducting the amount paid or falling due for payment during the relevant period in respect of Taxes;

(e) by adding the amount of any Tax credit or rebate received in cash; and

(f) by deducting the amount paid in respect of mobilisation costs.

"**RigCo Upstream Loans**" means any intra-group loan granted by RigCo to any member of the Seadrill Group to fund payments permitted by the terms of this Agreement.

"**Sanctioned Country**" means:

(g) at the Closing Date, Crimea, Iran, Sudan, Cuba, North Korea, Syria and Burma (Myanmar); and

(h) any country or territory to the extent that it is or becomes the subject of Sanctions similar to those in force at the date hereof against any of the countries referred to in (a) above.

"**Sanctions**" means the economic sanctions laws and/or regulations imposed by any Sanctions Authority with respect to any country or person.

"**Sanctions Authority**" means the Norwegian State, the United Nations, the European Union, the United Kingdom, the United States of America and any authority acting on behalf of any of them in connection with Sanctions.

"**Sanctions List**" means any list of persons or entities subject to Sanctions published in connection with Sanctions by or on behalf of any Sanctions Authority.

"**SDRL Debt Issue**" means any issue by the Parent after the Closing Date, with the prior written consent of the Simple Majority Lenders, of any unsecured and unguaranteed debt (other than any security or guarantees provided by any Non-Recourse Subsidiary which was acquired using the proceeds of, or paid for with, a SDRL Debt Issue and/or SDRL Equity Issue or any security over any interest in any such Non-Recourse Subsidiary) which has a final maturity date no earlier than the final maturity date of any Secured Bank Facilities Agreement.

"**SDRL Equity Issue**" means any issue by the Parent after the Closing Date of any share or stock (whether or not common, ordinary or preference), warrant or other equity or quasi equity instrument or equity linked instrument to any person which is not a member of the Group.

"**Seadrill Global Services**" means Seadrill Global Services Ltd. of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, with registration number 47413 or any other member of the RigCo Group operating any capital equipment or spare parts arrangements from time to time notified to the Agent in accordance with clause 5.11 (*Drilling Units, Drilling Unit Owners, Intra-Group Charterers and Corporate Structure*) of this Schedule.

"**Seadrill Group**" means the Group excluding the RigCo Group and any Non-Recourse Subsidiary.

"**Seadrill Group Downstream Claim**" means any claim above USD 1,000,000 held by a member of the Seadrill Group or any Affiliate thereof against any member of the RigCo Group in accordance with the terms of this Agreement.

"**Seadrill Group Downstream Loan**" means any intra-group loan granted by a member of the Seadrill Group to RigCo in accordance with the terms of this Agreement.

"**Seadrill Insurance**" means Seadrill Insurance Limited of Clarendon House, 2 Church Street, Hamilton HM11, Bermuda with registration number 19993.

"**Seadrill Management**" means Seadrill Management Ltd of 2nd Floor Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS, United Kingdom with registration number 8276358.

"**Seadrill Management Share Charge**" means the first priority share charge over the shares in Seadrill Management (or any other entity performing management services in respect of the Drilling Units as permitted pursuant to the terms of the Secured Bank Facilities Agreements) made between RigCo and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligor's obligations under the Senior Secured Finance Documents.

"**Seadrill Serviços Share Charge**" means the first priority share charge over the shares in Seadrill Serviços de Petróleo Ltda. made between Eastern Drilling AS and Seadrill Offshore AS and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**Secured Bank Facilities**" means the Senior Facility and the Facilities, each a "Secured Bank Facility".

"**Secured Bank Facilities Agreements**" means the Senior Facility Agreement and this Agreement (each as amended or amended and restated from time to time), each a "**Secured Bank Facilities Agreement**".

"**Secured Obligations**" means the Obligors' obligations and liabilities under the Senior Secured Finance Documents, including (without limitation) the Borrower's obligation to repay the Secured Bank Facilities together with all unpaid interest, default interest, commissions, charges, expenses and any other derived liability whatsoever of the Obligors towards the Senior Secured Finance Parties in connection with the Senior Secured Finance Documents.

"**Security Documents**" means:

(i) the Mortgages (including any deeds of covenant), subject to contractually agreed Quiet Enjoyment Letters (where required under a drilling contract with a third party);

(j) the Assignment of Earnings;

(k) the Assignment of Insurances;

(l) the Assignments of Seadrill Group Downstream Claims;

(m) the Assignments of Seadrill Group Downstream Loans;

(n) the Earnings Account Charges;

(o) the Cash Sweep Account Charges;

(p) the RigCo Account Charges;

(q) the Share Charges;

(r) the Cash Pool Co Share Charge;

(s) the RigCo Share Charge;

(t) the Seadrill Management Share Charge;

(u) the Seadrill Serviços Share Charge;

(v) the Floating Charges;

(w) the Intercreditor Agreement; and

(x) all or any security documents as may be entered into from time to time pursuant to clause 3 (*Security*) of this Schedule, clause 2.2 (*Sale or disposal*) of this Schedule or the definition of "Permitted Investment/Acquisition" in favour of the Common Security Agent (on behalf of the Senior Secured Finance Parties).

"**Security Interest**" means any mortgage, charge (whether fixed or floating), pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect.

"**Security Period**" means the period commencing at the Closing Date and ending the date on which the Agent notifies the Borrower and the other Finance Parties that:

(y) all amounts which have become due for payment by the Borrower or any other party under the Finance Documents have been paid;

(z) no amount is owing or has accrued (without yet having become due for payment) under any of the Finance Documents;

(aa) the Borrower has no future or contingent liability under any provision of this Agreement and the other Finance Documents; and

(ab) there are no Commitments in force.

"**Security Principles**" shall have the meaning given to that term in clause 3 (*Security*) of this Schedule.

"**Senior Secured Commitments**" means the "Total Commitments" as defined in each Secured Bank Facilities Agreement.

"**Senior Secured Lenders**" means the Senior Lenders and the Lenders.

"**Share Charges**" means the first priority perfected share charges over all the shares, equity interest or membership interest (as applicable) in each of the Drilling Unit Owners and the Intra-Group Charterers (provided that such Intra-Group Charterer is a single purpose company) in favour of the Common Security Agent, collateral to the Secured Bank Facilities Agreements as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**Ship Finance Arrangements**" means:

(ac) the head charter agreement originally dated 7 October 2008 (as amended from time to time) made between SFL Hercules Ltd. as owner and Seadrill Offshore AS as charterer relating to the lease of the West Hercules drilling unit, related security agreements and each of the guarantees provided by the Parent, RigCo and Cash Pool Co as guarantors in relation thereto; and

(ad) the head charter agreement dated on or about the Closing Date made between SFL Linus Ltd. as owner and Seadrill Offshore AS as charterer relating to the lease of the West Linus drilling unit, related security arrangements, sub-charter and each of the guarantees provided by the Parent, RigCo and Cash Pool Co in relation thereto (including the performance guarantee provided by the Parent in respect of the drilling contract for West Linus).

"**Ship Registry**" means the ship registry of Panama, Norway, Singapore, Bahamas, an Acceptable Ship Registry or such other ship registry as consented to by the Lenders in accordance with clause 8.14 (*Ship Registry, name and flag*) of this Schedule.

"**Simple Majority Lenders**" means the Senior Secured Lenders holding more than 50% of the total outstanding principal amounts and commitments across the Secured Bank Facilities Agreements (as determined in accordance with the terms of the relevant Secured Bank Facilities Agreement).

"**Simple Majority RFA/NMFA Lenders**" means each of (i) the Senior Lenders holding more than 50% of the total outstanding principal amounts and commitments under the Senior Facility, and (ii) the Lenders holding more than 50% of the total outstanding principal amounts and commitments under the Facilities (in each case as determined in accordance with the terms of the relevant Secured Bank Facilities Agreement).

"**Sonadrill Joint Venture**" means the joint venture with Empresa de Serviços e Sondagens de Angola Lda which, inter alia, requires the bareboat charter of two Drilling Units (intended to comprise the Drilling Unit named West Gemini and a further Drilling Unit to be identified by the Parent) to the joint venture group.

"**Structural Permitted Payments**" means payments from cash or cash deposits held by any member of the RigCo Group to fund:

(ae) payments made on arm's length terms for services or goods provided;

(af) payments made to meet corporate, administration, Tax, employment, pensions, IT, listing and property costs and expenses and other payments arising in the ordinary course of business of the Seadrill Group;

(ag) payments in respect of insurance arrangements of the Group;

(ah) payments made to meet regulatory or legal obligations or requirements of the Group;

(ai) payments made by Seadrill Global Services and/or Seadrill Americas, Inc. consistent with the ordinary course of its business in operating any capital equipment and spare parts arrangements and consistent with the basis on which it was operated as at the Closing Date;

(aj) payments made by Seadrill Management consistent with the basis on which it was operated as at the Closing Date (including payments in relation to directors' service payments, employee salaries and pensions payments);

(ak) payments made by Seadrill Insurance consistent with the basis on which it was operated as at the Closing Date;

(al) payments made to meet payment obligations of members of the Seadrill Group either existing at the Closing Date or arising under committed arrangements existing at the Closing Date and disclosed to the Agent prior to the Closing Date (but in each case not including Junior Obligations Permitted Payments); and

(am) payments due under guarantees, indemnities or similar arrangements granted by the Parent in relation to the business or operations of the RigCo Group and constituting Permitted Financial Support, provided that the Parent shall use its reasonable endeavours to procure that the principal obligor meets the primary obligations in respect of which such guarantee has been called to the extent possible, with funds available to the principal obligor, provided that, for the avoidance of doubt, nothing in this paragraph (i) shall delay or prohibit the Parent from making any payment due under a guarantee which it is satisfied has become legally due and payable under the terms of the relevant documentation.

"**Subsidiary**" means an entity from time to time of which a person:

(an) has direct or indirect control; or

(ao) owns directly or indirectly more than fifty per cent (50%) (votes and/or capital).

For the purpose of paragraph (a) above, an entity shall be treated as being controlled by a person if that person is able to direct its affairs and/or control the majority composition of its board of directors or equivalent body.

"**Supra Majority Lenders**" means the Senior Secured Lenders holding more than sixty-six and two thirds per cent. (66⅔%) of the total outstanding principal amounts and commitments across the Secured Bank Facilities Agreements (as determined in accordance with the terms of the relevant Secured Bank Facilities Agreement).

"**Total Loss**" means, in relation to any of the Drilling Units:

(ap) the actual, constructive, compromised, agreed, arranged or other total loss of such Drilling Unit; and/or

(aq) any hijacking, piracy, theft, condemnation, capture, seizure, destruction, abandonment, arrest, expropriation or confiscation, or requisition or acquisition of such Drilling Unit, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a governmental or official authority (excluding a requisition for hire for a fixed period not exceeding one (1) year without any right to extension) unless it is within one (1) month from the Total Loss Date redelivered to the full control of the relevant Drilling Unit Owner or any of the Guarantors.

"**Total Loss Date**" means:

(a) in the case of an actual total loss of any of the Drilling Unit, the date on which it occurred or, if that is unknown, the date when such Drilling Unit was last heard of;

(b) in the case of a constructive, compromised, agreed or arranged total loss of any of the Drilling Units, the earlier of:

(i) the date on which a notice of abandonment is given to the insurers (provided a claim for total loss is admitted by such insurers) or, if such insurers do not forthwith admit such a claim, at the date at which either a total loss is subsequently admitted by the insurers or a total loss is subsequently adjudged by a competent court of law or arbitration panel to have occurred or, if earlier, the date falling six (6) months after notice of abandonment of such Drilling Unit was given to the insurers; and

(ii) the date of compromise, arrangement or agreement made by or on behalf of the relevant Drilling Unit Owners with the relevant Drilling Unit's insurers in which the insurers agree to treat such Drilling Unit as a total loss; or

(c) in the case of any other type of total loss, on the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred.

"**Transaction Security**" means the Security Interests created or expressed to be created in favour of the Common Security Agent (on behalf of the Senior Secured Finance Parties) pursuant to the Security Documents.

"**Transaction Steps Plan**" means the steps plan dated 27 January 2022 and prepared by Ernst & Young LLP on behalf of the Group, setting out the various transactions and related steps required in order to prepare the Group for, or as part of, the transactions contemplated by this Agreement.

2. Mandatory Prepayment and Cancellation

1.1 Total Loss

If a Drilling Unit suffers a Total Loss, the loans outstanding under the Secured Bank Facilities shall be prepaid on the Disposal Reduction Date in an amount equal to the Disposal Reduction Amount in accordance with the Asset Sale Waterfall.

1.2 Sale or disposal

1.1.1 Sale or disposal - conditions

(a) Subject to the terms of this clause 2.2, a Drilling Unit or Drilling Unit Owner may be sold or otherwise disposed of for at least fair market value to a person that is not a member of the RigCo Group (but excluding any sale or disposal in accordance with clause 7.21(f) (*Ownership*) of this Schedule which will instead be governed by that clause) (a "**Disposal**") in return for consideration in the form of:

(i) cash ("**Cash Consideration**");

(ii) non-cash consideration (including any seller's credit) other than as referred to in paragraph (iii) below ("**Non-Cash Consideration**"); and/or

(iii) commitments under the Senior Facility Agreement in an amount not more than the Reinstated Facility Pro Rata Portion of the applicable Disposal Reduction Amount (the "**Porting Amount**") being (A) transferred (on a *pro rata* basis for the Senior Lenders) to the buyer of the relevant Drilling Unit or Drilling Unit Owner, or (B) cancelled in return for the Senior Lenders receiving (on a *pro rata* basis) debt in the buyer of the relevant Drilling Unit or Drilling Unit Owner (each of (A) and (B), "**Porting Consideration**"),

(together "**Consideration**").

(b) A Disposal may only be effectuated if:

(i) the aggregate Consideration received is equal to or greater than the applicable Disposal Reduction Amount;

(ii) in case of a Disposal for Cash Consideration in whole or in part, Cash Consideration in an amount equal to the applicable Disposal Reduction Amount (less the value of any permitted Non-Cash Consideration and/or any permitted Porting Amount) is applied in accordance with the Asset Sale Waterfall on the Disposal Reduction Date;

(iii) in case of a Disposal for Non-Cash Consideration in whole or in part, any such Non-Cash Consideration is:

(A) approved by the Supra Majority Lenders;

(B) not subject to any disposal restrictions (other than pursuant to the Secured Bank Facilities Agreements); and

(C) pledged as security in favour of the Senior Secured Finance Parties under Security Documents in form and substance satisfactory to the Common Security Agent, provided, however, that to the extent any Non-Cash Consideration is a drilling unit, rig or vessel, such drilling unit, rig or vessel shall be deemed a "Drilling Unit" and the owner thereof a "Drilling Unit Owner" and such Drilling Unit and Drilling Unit Owner shall be subject to the guarantee and security arrangements contemplated in respect of other Drilling Units and Drilling Unit Owners under the Secured Bank Facilities Agreements; and

(iv) in case of a Disposal for partial Porting Consideration:

(A) the relevant Disposal (including the terms of the Porting Consideration) is approved by all of the Senior Lenders; and

(B) the Obligors' Agent has provided evidence to the Agent that the Asset Coverage Threshold (calculated pro forma for the relevant Disposal and any related prepayment and Porting Consideration) will be met immediately following completion of the relevant Disposal.

(c) Any Disposal that does not comply with the terms in paragraph (a) and (b) above, requires the consent of the Supra Majority Lenders, provided that any waiver or deviation from the requirements relating to a Disposal for Porting Consideration requires the consent of the Senior Lenders.

(d) Each Finance Party irrevocably authorises, empowers and instructs the Common Security Agent to execute any documentation (in form and substance reasonably satisfactory to the Common Security Agent) required to create and perfect the security necessary to comply with the conditions set out in paragraph (b)(iii)(C) above.

(e) Any Intra-Group Charterer, Charter Contract and/or other agreement or arrangement relating to the employment, use, possession, management, maintenance, improvement or other alteration, storage and/or operation of any Drilling Unit which is the subject of a disposal pursuant to this clause 2.2 or is owned by a Drilling Unit Owner which is the subject of a disposal pursuant to this clause 2.2 (a "**Relevant Drilling Unit**") may be sold or otherwise disposed of in conjunction with that Relevant Drilling Unit (or those Relevant Drilling Units if there is more than one) and any sale proceeds therefrom shall, for the purposes of this clause 2.2, be treated as the sale proceeds of the relevant Drilling Unit(s) or Drilling Unit Owner (as applicable), provided that:

(i) in the case of an Intra-Group Charterer, its operations and assets relate solely to a Relevant Drilling Unit;

(ii) in the case of any Charter Contract and any other agreement or arrangement referred to in this paragraph (e), such Charter Contract or other agreement or arrangement does not relate to the charter, employment, use, possession, management, maintenance, improvement or other alteration, storage and/or operation of any Drilling Unit other than a Relevant Drilling Unit; and

(iii) the fair market value to be obtained for the disposal of the Relevant Drilling Unit(s) reflects the value (if any) attributed by the disposing entity to the relevant Intra-Group Charterer, Charter Contract and/or other agreement or arrangement referred to in this paragraph (e) (as applicable).

1.1.2 Sale or disposal - administrative provisions

(a) For the avoidance of doubt, and without limiting clause 2.2.1 of this Schedule, to the extent any Disposal results in the full prepayment in cash and cancellation of a Secured Bank Facility, no consent will be required from the Senior Secured Lenders under that Secured Bank Facility.

(b) Notwithstanding anything to the contrary in this clause 2.2, to the extent any Senior Lender would be prohibited from extending any credit to the buyer of any Drilling Unit or Drilling Unit Owner by reason of any law or regulation applicable to it (including but not limited to Sanctions), such Senior Lender shall have the right to demand repayment in cash of its commitment under the Senior Facility Agreement that would otherwise have been Porting Consideration.

(c) In case of a Disposal in accordance with this clause 2.2, the Common Security Agent shall release (i) any Security Documents relating to the relevant Drilling Unit and/or Drilling Unit Owner and/or Intra-Group Charterer of such Drilling Unit and (ii) the relevant Drilling Unit Owner and/or Intra-Group Charterer (as applicable) from its obligations as Guarantor under the Secured Bank Facilities Agreements, in each case in accordance with clause 10.4 (*Release of Guarantors and Security Documents*) of this Schedule.

1.1.3 Future consideration or proceeds from Non-Cash Consideration

(a) Any future cash consideration from a disposal or realisation of any Non-Cash Consideration shall be applied in accordance with the Asset Sale Waterfall:

(i) in respect of Non-Cash Consideration in form of a Drilling Unit (a "**Replacement Drilling Unit**"), in an amount up to the higher of (A) the Disposal Reduction Amount applicable for the Drilling Unit for which such Replacement Drilling Unit was received (taking into account any amount already applied in prepayment towards the Disposal Reduction Amount), and (B) the Disposal Reduction Amount for the Replacement Drilling Unit; and

(ii) in respect of any other form of Non-Cash Consideration, in an amount up the Disposal Reduction Amount applicable for the Drilling Unit for which such Non-Cash Consideration was received (taking into account any amount already applied in prepayment towards the Disposal Reduction Amount).

1.1.4 Sale or disposal - definitions

For the purpose of this clause 2 (*Mandatory Prepayment and Cancellation*) the following definitions shall apply:

"**Asset Sale Waterfall**" means:

(i) first, and only to the extent the Asset Coverage Threshold (calculated on a pro forma basis for the relevant Disposal or Total Loss and, in case of a Disposal, taking into account any Cash Consideration in excess of the applicable Disposal Reduction Amount which constitutes Cash and Cash Equivalents of the RigCo Group) (the "**Pro Forma Asset Coverage Threshold**") is not met, towards prepayment (and cancellation of an equivalent amount of Commitments) of any drawn amounts under the Facilities (*pro rata* between drawn amounts under the Term Loan Facility and the Revolving Facility) until the Pro Forma Asset Coverage Threshold is met;

(ii) second, and only to the extent the Pro Forma Asset Coverage Threshold is not met following the prepayments pursuant to paragraph (i) above, towards prepayment (and cancellation of an equivalent amount of Commitments) and/or cancellation of any remaining amounts under the Facilities (pro-rata between the Term Loan Facility and the Revolving Facility) until the Pro Forma Asset Coverage Threshold is met; and

(iii) third, towards prepayment of the Senior Facility.

"**Disposal Reduction Amount**" means, with respect to a Drilling Unit or Drilling Unit Owner, the amount equal to the Relevant Guarantee Portion in respect of such Drilling Unit or the Drilling Unit(s) owned by such Drilling Unit Owner.

"**Disposal Reduction Date**" means, in relation to a Drilling Unit or Drilling Unit Owner:

(iv) where such Drilling Unit has become a Total Loss, the date which is the earlier of the date the Disposal Reduction Amount is available and one hundred and twenty (120) days after such Drilling Unit became a Total Loss; or

(v) where such Drilling Unit or Drilling Unit Owner is sold or otherwise disposed of (directly or indirectly through a sale of the Drilling Unit Owner), the date upon which the sale or disposal of such Drilling Unit or Drilling Unit Owner is completed.

"**Reinstated Facility Pro Rata Portion**" means a percentage equal to the proportion that the aggregate of all outstanding loans and available commitments under the Senior Facility bear to the aggregate of all outstanding loans and available commitments under the Secured Bank Facilities (A / B x 100, and where A is the aggregate of all outstanding loans and available commitments under the Senior Facility at the time and B is the aggregate of all outstanding loans and available commitments under the Secured Bank Facilities at the time).

1.3 Illegality

If it becomes unlawful under any law, regulation, treaty or of any directive of any monetary authority (whether or not having the force of law) in any applicable jurisdiction, for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in a Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) the Agent shall promptly notify the Borrower (specifying the obligations the performance of which is thereby rendered unlawful and the law giving rise to the same) upon receipt of notification in accordance with paragraph (a) above;

(c) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately reduced to zero and cancelled; and

(d) the Borrower shall repay that Lender's participation in the relevant loans on the last day of the Interest Period occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

1.4 Sanctions

(a) Subject to paragraph (b) below, upon the occurrence of any Obligor or any Subsidiary of any Obligor being in breach of Sanctions (including non-compliance with clause 7.2(b) and clause 7.24 (*Sanctions*) of this Schedule) or becoming a Restricted Party, and such event remains unremedied (if capable of being remedied);

(i) each Lender shall have the right to demand by written notice to the Agent that its Commitment is cancelled and that its participation in the Loans and all other amounts outstanding and owed to it under the Finance Documents are repaid;

(ii) the Agent shall promptly notify the Borrower upon receipt of a notification in accordance with paragraph (i) above; and

(iii) on the date that is ten (10) Business Days after prior written notice by the Agent to the Borrower, the relevant Lenders' Commitment shall be reduced to zero and cancelled and the Borrower shall repay that Lenders' participation the Loans and all other amounts outstanding and owed to such Lender under the Finance Documents.

(b) Where a breach of Sanctions occurs in relation to one Drilling Unit only, without Sanctions being imposed on the remaining Obligors, each Lender will only have the right to demand payment in accordance with paragraph (a) above of its pro rata portion of the Relevant Guarantee Portion.

1.5 Change of control

(a) For the purpose of this clause 2.5, a "Change of Control" occurs if:

(i) any person or group of persons acting in concert, obtains (A) more than fifty per cent (50%) of the voting rights or share capital of the Parent or (B) the ability to otherwise control the appointment of a majority of the members of the board of directors of the Parent; or

(ii) all or substantially all of the Group's assets (as measured by asset valuations or other fair market value determinations) are sold or otherwise disposed of (whether voluntary or involuntary) in a single transaction or a series of transactions (whether related or not).

(b) Subject to paragraph (c) below, upon the occurrence of a Change of Control, the Total Commitments shall be cancelled and all Loans and other amounts outstanding under the Finance Documents shall be prepaid within sixty (60) days after the occurrence of the relevant Change of Control, unless the Majority Lenders consent to such Change of Control not later than thirty (30) days after the occurrence of the relevant Change of Control.

(c) Notwithstanding the consent of the Majority Lenders to any Change of Control as contemplated in paragraph (b) above, to the extent any Lender would be prohibited from extending credit to any person acquiring (or being part of a group acquiring) more than fifty per cent. (50%) of the voting rights or share capital of the Parent or the ability to otherwise control the appointment of a majority of the members of the board of directors of the Parent by reason of any law or regulation applicable to it (including but not limited to Sanctions), such Lender shall have the right to demand prepayment of its participation in all Loans and other amounts outstanding and owed to it under the Finance Documents within sixty (60) days after the occurrence of such Change of Control.

1.6 Insurance proceeds

(a) Any Net Insurance Proceeds received by the Group shall promptly following receipt be applied towards prepayment of the Facilities in accordance with the Asset Sale Waterfall.

(b) For the purpose of this clause 2.6, "Net Insurance Proceeds" means net proceeds of claims under insurance contracts of the Group in excess of USD 1,000,000 (or its equivalent in other currencies) after costs and expenses and Taxes and excluding:

(i) proceeds of business interruption insurance and other insurance in relation to revenues; and

(ii) any amount to be applied (and which is applied) towards:

(A) repayment in respect of a Total Loss as set out in clause 2.1 (*Total Loss*) of this Schedule;

(B) replacement or repair of the relevant asset to which the insurance relates (including reimbursement of amounts that have been spent on the same); and

(C) meeting (or reimbursing amounts which have been incurred in meeting) third party claims and liabilities incurred.

3. Security

(a) The Secured Obligations shall throughout the Security Period be secured by the guarantees and indemnities granted by the Guarantors and the Borrower pursuant to Clause 21 (*Guarantee and Indemnity*) and secured by the Security Interests granted pursuant to the Security Documents.

(b) Subject to paragraph (c) and (d) below, each of the Obligors undertakes to ensure that the Security Documents are duly executed by the parties thereto in favour of the Common Security Agent (on behalf of the Senior Secured Finance Parties) in accordance with Clause 4 (*Conditions of Utilisation*) or at such other times pursuant to and as set out in the Senior Secured Finance Documents (including under clauses 2.2 (*Sale or disposal*) and 10.3 (*Changes to the Guarantors*) of this Schedule), in form and substance satisfactory to the Common Security Agent (acting on the instructions of all the Senior Secured Lenders) and are legally valid and in full force and effect with first priority, and to execute or procure the execution of such further documentation as the Common Security Agent may reasonably require in order for the relevant Senior Secured Finance Parties to maintain the security position envisaged hereunder.

(c) In relation to the obligation to provide the Assignment of Earnings it is understood that the Senior Secured Lenders agree only to require that "best efforts" are applied by the relevant Obligors in obtaining (a) consent to a first priority security interest over all earnings in respect of charter parties with independent third parties (if required under the relevant charterparty) and (b) any acknowledgement from any independent third parties.

(d) The obligation of the relevant member of the Group to provide the Floating Charges or any security or guarantee in respect of any investment or acquisition under paragraphs (m) and (n) of the definition of "Permitted Investment/Acquisition" shall be subject to the following principles (the "**Security Principles**"):

(i) Floating Charges (or equivalent security) shall only be granted by members of the Group that are incorporated in a jurisdiction where such security is customarily granted (including, without limitation, England and Wales, Bermuda, Norway and United States of America);

(ii) no security or guarantee will be required in respect of Non-Recourse Subsidiaries or their assets;

(iii) laws may limit the ability of any member of the Group to provide security or a guarantee or may require that any such security or guarantee is limited in amount or otherwise provided that the relevant member of the Group shall use reasonable endeavours to overcome such obstacle;

(iv) a key factor in determining whether or not any security or guarantee (or any perfection action) should be taken is the cost involved (including, without limitation, legal fees, registration fees and Taxes) which shall not be disproportionate to the benefit obtained by the Senior Secured Lenders of obtaining such guarantee or security;

(v) in certain jurisdictions it may be impossible or impractical to create security over certain categories of assets, in which event security will not be taken over the relevant assets;

(vi) any assets subject to third party arrangements which may prevent those assets being charged will be excluded from any relevant security provided that reasonable endeavours to obtain consent to charging any such assets shall be used by the relevant member of the Group if the relevant asset is material;

(vii) the granting of any security or the perfection of any security will not be required if it would have a significant adverse effect on the ability of the relevant member of the Group to conduct its operations and/or business in the ordinary course as otherwise permitted by the Finance Documents (and, in particular, in relation to the capital equipment and spare parts pool, the granting or perfection of any such security will not be required if it would interfere with or prejudice the normal operation of the capital equipment and spare parts pool as it operates in the ordinary course);

(viii) the relevant member of the Group will be free to deal with the secured assets in the course of its business as otherwise permitted by the Finance Documents until the occurrence of an Event of Default; and

(ix) if required by law to perfect the security, any notice of the security will be served on the counter-party and the relevant member of the Group will use reasonable endeavours for a period to be agreed to obtain an acknowledgement of the notice.

4. Representations and Warranties

Each of the Obligors represents and warrants to each Finance Party as set out below.

1.1 Status

Each Obligor and Security Provider is a limited liability company or corporation, as applicable, duly incorporated, organised and validly existing under the laws of their jurisdiction of incorporation (for the Obligors as set out in Schedule 18 (*Corporate Structure*)) (as updated in accordance with clause 5.11(c) of this Schedule) and registration and have the power to own their assets and carry on their business as they are currently being conducted.

1.2 Binding obligations

Subject to the Legal Reservations and Perfection Requirements, the Finance Documents to which any Obligors or Security Providers are a party constitute legal, valid, binding and enforceable obligations, and each Security Document creates the Security Interests which that Security Document purports to create and those Security Interests are legal, valid, binding and enforceable first priority securities and no registration, filing, payment of tax or fees or other formalities are necessary or desired to render the Finance Documents enforceable in accordance with their terms against the Obligors or Security Providers.

1.3 No conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it or a Security Provider is a party do not and will not conflict with:

(a) any law or regulation or any order or decree of any judicial or official agency or court;

(b) any constitutional documents of such Obligor or Security Provider; or

(c) the Charter Contracts or any agreement or document to which it or any Security Provider is a party or by which it is bound.

1.4 Power and authority

It and each Security Provider has the power to enter into, perform and deliver, and has taken all necessary corporate actions to authorise its entry into and delivery of, performance, validity and enforceability of the Finance Documents to which it is party and the transactions contemplated by those Finance Documents.

1.5 Authorisations and consents

All authorisations, approvals, consents and other matters, official or otherwise, required (i) in connection with the entering into, performance, validity and enforceability of the Finance Documents and the transactions contemplated hereby and thereby and (ii) for it or each Security Provider to carry on its business as currently being conducted have been obtained or effected and are in full force and effect.

1.6 No filing or stamp taxes

Other than the Perfection Requirements or in relation to any assignment or transfer of rights and/or obligations under the Finance Documents, under the laws of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority or that any stamp, registration, notarial or similar Tax or fees be paid on or in relation to the Finance Documents or the transactions contemplated by them.

1.7 Taxes

(a) It has complied with all taxation laws in all jurisdictions where it is subject to taxation and has paid all material Taxes and other material amounts due to governments and other public bodies, except as otherwise permitted or required by the US Bankruptcy Code. No claims are being asserted against it with respect to any material Taxes or other material payments due to public or governmental bodies save as disclosed to the Agent pursuant to clause 7.4 (*Taxation*) of this Schedule, except any claims in connection with proceedings pursuant to the US Bankruptcy Code.

(b) It is not required to make any withholdings or deductions for or on account of any Tax from any payment it may make under any of the Finance Documents.

(c) It is resident for Tax purposes only in its jurisdiction of incorporation unless (i) specified otherwise in the Transaction Steps Plan, or (ii) such residency has changed as part of or pursuant to a Permitted Group Restructuring.

1.8 No Default

(a) No Event of Default is continuing.

(b) No Event of Default is existing or might reasonably be expected to result from the making of the Utilisation or the entry into and performance of or any transaction contemplated by any of the Finance Documents.

(c) No other event or circumstance is outstanding which constitutes a default or (with the expiry of a grace period, giving of notice or the making of any determination or the fulfilment of any other applicable conditions or any combination of the foregoing) might reasonably be expected to constitute a default under any Charter Contract, Intra-Group Charterparty or other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject and which has or is reasonably likely to have a Material Adverse Effect.

1.9 No misleading information

(a) Save as disclosed in writing to the Agent not less than five (5) Business Days prior to a representation being made or being deemed to be made, any material factual information contained in documents, exhibits or reports (excluding forecasts, projections and forward-looking statements) relating to the Obligors and their respective Subsidiaries and which has been furnished to the Finance Parties in writing by or on behalf of the Obligors:

(i) is true and correct in all material respects as at the date of the relevant documents, exhibits or reports or (as the case may be) the date at which such information was expressed to be given; and

(ii) does not contain any misstatement of fact or omit to state a fact making such information misleading in any material respect as at the date of the relevant documents, exhibits or reports or (as the case may be) the date at which such information was expressed to be given or omit to disclose any off-balance sheet liabilities or other information, documents or agreements which if disclosed could reasonably be expected to affect the decision of a Finance Party to enter into a Finance Document (in respect of any omission, limited to any Finance Document entered into at or around the Closing Date).

(b) Any financial projection or forecast contained in the most recently delivered Cash Flow Projection has been prepared on the basis of recent historical information and on the basis of assumptions which the board of directors of the relevant member of the Group (acting reasonably) considered reasonable as at the date they were prepared and supplied.

1.10 Financial Statements

(a) **Fairly present**. The most recently delivered of (i) the Original Financial Statements or (if different) (ii) the financial statements most recently delivered to the Agent and the Lenders pursuant to clause 5 (*Information Undertakings*) of this Schedule, save as

disclosed to an Exchange where the Parent is listed, fairly present the assets, liabilities and the financial condition of the Obligors and their respective Subsidiaries at the day that they were drawn up and have been prepared in accordance with the Accounting Principles consistently applied.

(b) **No undisclosed liabilities**. As of the later of the date of (i) the Original Financial Statements and (if different) (ii) the financial statements most recently delivered to the Agent or the Lenders pursuant to clause 5 (*Information Undertakings*) of this Schedule, none of the Obligors or any of their Subsidiaries had any material liabilities, direct or indirect, actual or contingent, and there is no material, unrealised or anticipated losses from any unfavourable commitments, not disclosed by or reserved against in the latest of the Original Financial Statements and the most recently delivered financial information or in the notes thereto (as applicable) (in each case only to the extent that such disclosure or reservation would be required under the Accounting Principles at that time) save as disclosed to an Exchange.

(c) **No material change**. Since the date to which the 2020 Seadrill Financial Statements were drawn up, there has been no material adverse change in the business, operations, assets or condition (financial or otherwise) of any Obligor or its Subsidiaries which has or is reasonably likely to have a Material Adverse Effect.

(d) **Cash Flow Projections**. The budgets and forecasts supplied under this Agreement were arrived at after careful consideration and have been prepared in good faith on the basis of recent historical information and on the basis of assumptions which the board of directors of the relevant member of the Group (acting reasonably) considered reasonable as at the date they were prepared and supplied.

1.11 Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations preferred by mandatory law applying to companies generally.

1.12 No proceedings pending or threatened

No litigation, judgment, order, injunction, restraint, arbitration or administrative proceedings (private or public) of or before any court, arbitral body or agency, which has or would reasonably be expected to have a Material Adverse Effect, have been started or are pending or (to the best of its knowledge and belief) have been threatened against it.

1.13 No existing Security Interest

Save as described in clause 3 (*Security*) of this Schedule or permitted pursuant to clause 7.7 (*Negative pledge*) of this Schedule, no Security Interest exists over all or any of the present or future revenues or assets of such Obligor or Security Provider being the subject of any Security Interest under the Security Documents.

1.14 No immunity

The execution and delivery by it and each Security Provider of each Finance Document to which it is a party constitute, and its and each Security Provider's exercise of its rights and performance of its obligations under each Finance Document will constitute, private and commercial acts performed for private and commercial purposes, and it and each Security Provider will not (except for bankruptcy or any similar proceedings) be entitled to claim for itself or any or all of its assets immunity from suit, execution, attachment or other legal process in any proceedings taken in relation to any Finance Document.

1.15 No winding-up

No Obligor or Security Provider has taken any corporate action nor have any other steps been taken or legal proceedings been started or threatened against it for its reorganisation (other than a solvent reorganisation), winding-up, dissolution or administration or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or any or all of its assets.

1.16 No breach of laws

(a) It has not (and none of its Subsidiaries have) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

(b) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

1.17 Environmental Laws

(a) Each Obligor is in compliance with clause 7.3 (*Environmental Compliance*) of this Schedule and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.

(b) No Environmental Claim and no other event or circumstances is outstanding which (with the expiry of a grace period, giving of notice or the making of any determination or the fulfilment of any other applicable conditions or any combination of the foregoing) would or would be reasonably likely to result in an Environmental Claim has been commenced or is pending or threatened (in each case, to the best of its knowledge and belief (having made due and careful enquiry)) against any member of the Group where that claim has or is reasonably likely to have a Material Adverse Effect.

1.18 Ownership

The Parent is the direct or indirect owner of all the shares in RigCo and RigCo is (i) the direct owner of all the shares in Cash Pool Co and the Original Borrower, and (ii) except as otherwise permitted under the Finance Documents, the direct or indirect owner of all the shares in each Drilling Unit Owner and each Intra-Group Charterer as described in Schedule 18 (*Corporate Structure*) hereto (as updated in accordance with clause 5.11(c) of this Schedule).

1.19 The Drilling Units

(a) Each Drilling Unit:

(i) is in the absolute ownership of the relevant Drilling Unit Owner described in Schedule 15 (*The Drilling Units)* (as updated in accordance with clause 5.11(a) of this Schedule), free and clear of all encumbrances (other than current crew wages, the relevant Mortgage, any Drilling Unit Permitted Encumbrance, any rights or interests listed in clause 7.6 (*Title*) of this Schedule and, if applicable, any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements) and the respective Drilling Unit Owner will be the sole, legal and beneficial owner of such Drilling Unit except as permitted by clause 7.21(f) of this Schedule; and

(ii) is registered in the name of the relevant Drilling Unit Owner as described in Schedule 15 (*The Drilling Units*) (as updated in accordance with clause 5.11(a) of this Schedule) with a Ship Registry.

(b) Each Drilling Unit:

(i) not laid-up or stacked is:

(A) operationally seaworthy in every way and fit for service, including, but not limited to, service under the Charter Contracts; and

(B) classed with DNV GL, Lloyds Register, American Bureau of Shipping or another classification society acceptable to the Majority Lenders, free of all overdue conditions or impairments; and

(ii) laid-up or stacked is:

(A) laid-up or stacked in a way that makes it capable of maintaining its operational capabilities and being re-entered in a classification society upon removal from such lay-up or stacking; and

(B) otherwise laid-up or stacked in accordance with prudent industry standards.

1.20 No money laundering

It is acting for its own account in relation to the Facilities and in relation to the performance and the discharge of its obligations and liabilities under the Finance Documents and the transactions and other arrangements effected or contemplated by the Finance Documents to which an Obligor is a party, and the foregoing will not involve or lead to contravention of any law, official requirement or other regulatory measure or procedure implemented to combat money laundering (as defined in Article 1 of the Directive 2015/849/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of money laundering and terrorist financing (amending Regulation (EU) No 648/2012 of the European Parliament and the Council and Commission Directive 2006/70/EC), as amended from time to time).

1.21 Corrupt practices

It has observed, and to the best of its knowledge and belief its shareholders and parties acting on its behalf have observed in the course of acting for it, all applicable laws and regulations relating to bribery or corrupt practices.

1.22 Sanctions

No Obligor, nor any Subsidiary of any Obligor, nor any of their joint ventures, nor any of their respective directors, officers, employees, agents or representatives:

(a) is in breach of any Sanctions;

(b) is a Restricted Party;

(c) is engaged in any trade, business or other activities with or for the benefit of any Restricted Party; or

(d) has received notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions.

1.23 FATCA

The Borrower is not resident for tax purposes in the United States of America.

1.24 Non-Conflict

The Borrower agrees and acknowledges that any claim or defence that it may have or hold in respect of any Charter Contract or Intra-Group Charterparty or any dispute arising in connection with that Charter Contract or Intra-Group Charterparty between the parties thereto, shall not affect its payment obligations under the Finance Documents.

1.25 Repetition

The representations and warranties set out in this clause 4 are deemed to be made by each of the Obligors (on behalf of itself and any Security Provider) at the Closing Date and (except for the representations and warranties in clause 4.7(b), clause 4.8(b), clause 4.8(c), clause 4.9(a)(ii) (only insofar as they relate to any omission), clause 4.10(c), clause 4.15 (*No winding-up*) and clause 4.22 (*Sanctions*) of this Schedule) shall be deemed to be repeated (by reference to the facts and circumstances then existing):

(a) on the first day of each Interest Period; and

(b) in each Compliance Certificate delivered to the Agent pursuant to clause 5.2 (*Compliance Certificate*) of this Schedule (or, if no such Compliance Certificate is

forwarded, on each day such certificate should have been forwarded to the Agent at the latest).

5. Information Undertakings

The Parent and the other Obligors (where relevant) give the undertakings set out in this clause 5 to each Finance Party and such undertakings shall remain in force throughout the Security Period.

1.1 Financial statements

(a) The Parent shall:

(i) supply to the Agent in sufficient copies for all of the Lenders as soon as reasonably practicable, but in any event within one hundred and eighty (180) days after the end of each financial year, the audited annual consolidated accounts of the Parent, signed by an authorised officer of the Parent, together with a RigCo Group Reconciliation Statement;

(ii) provide to the Agent as soon as reasonably practicable, but in any event within seventy (70) days after each relevant Quarter Date, the unaudited consolidated accounts of the Parent for that Financial Quarter together with a RigCo Group Reconciliation Statement; and

(iii) provide to the Agent as soon as reasonably practicable and in any event within seventy (70) days after each Quarter Date, a copy of the consolidated Cash Flow Projections for the Parent and a reconciliation in respect of RigCo for the following five (5) calendar years after such dates.

(b) Each of the Parent and RigCo shall supply to the Agent as soon as reasonably practicable any other information in respect of the business, properties or condition, financial or otherwise, of the Obligors or any of their Subsidiaries as the Agent or any of the Lenders may from time to time reasonably request.

(c) For the avoidance of doubt, the first financial statements to be delivered under this clause will be the Original Financial Statements, and the first consolidated Cash Flow Projections will be delivered in respect of the Quarter Date which is 31 March 2022.

1.2 Compliance Certificate

RigCo shall supply to the Agent, with each set of financial statements delivered pursuant to clause 5.1 (*Financial statements*) of this Schedule, a Compliance Certificate signed by an authorised officer of RigCo setting out (in reasonable detail) inter alia computations as to compliance with clause 6 (*Financial Covenants*) of this Schedule as at the date at which those financial statements were drawn up together with any relevant supporting documentation enabling the Lenders to determine and monitor compliance with clause 6 (*Financial Covenants*) of this Schedule and containing (i) confirmation of compliance with clause 8.8 (*Cash sweep prepayment*) of the Senior Facility Agreement, clause 10.2 (*Payment of interest*) of the Senior Facility Agreement, and clauses 8.3 (*Insurance*), 7.25 (*RigCo Group cash sweep*) and 7.26 (*Payments out of the RigCo Group*) of this Schedule and (ii) a statement (for information purposes only) of the Market Value of each Drilling Unit.

1.3 Requirements as to financial statements

(a) The Parent shall procure that each set of financial statements delivered pursuant to clause 5.1 (*Financial statements*) of this Schedule and RigCo shall ensure that each RigCo Group Reconciliation Statement consists of balance sheets, income statements and cash flow statements and is prepared using Accounting Principles, accounting practices and financial reference periods consistent with those applied in the preparation of the 2020 Seadrill Financial Statements, unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in Accounting

Principles, the accounting practices and/or reference periods and its Auditors deliver to the Agent:

(i) a description of any change necessary for those financial statements to reflect Accounting Principles, accounting practices and reference periods upon which the 2020 Seadrill Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether clause 6 (*Financial Covenants*) of this Schedule has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the 2020 Seadrill Financial Statements.

(b) Upon delivery of the Original Financial Statements, the Parent shall, in writing, deliver to the Agent a description of any change in the Accounting Principles, accounting practices and/or reference periods upon which the 2020 Seadrill Financial Statements were prepared (in sufficient detail for the Finance Parties to evaluate the effect of such changes) and if (i) such changes have no effect on any calculation to be made under this Agreement (including any financial covenant and whether or not such financial covenant is actually tested at that time) and this is supported by the description of the changes delivered by the Parent or (ii) the Supra Majority Lenders otherwise agree (acting reasonably), then all references to "2020 Seadrill Financial Statements" in paragraph (a) above, paragraph (c) below, clause 6.5 (*Financial Testing*) of this Schedule and paragraph (b)(ii) of the definition of "Investment and Acquisition Basket" shall be replaced with "Original Financial Statements".

(c) Any reference in this Agreement to each set of financial statements delivered pursuant to clause 5.1 (*Financial statements*) of this Schedule shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the 2020 Seadrill Financial Statements were prepared.

(d) If a change to the Accounting Principles, accounting practices and/or reference periods has occurred, and provided that the Parent and/or RigCo (as applicable) provide to the Agent (for distribution to all Finance Parties):

(i) a copy of the proposed amendments to the relevant provisions of this Agreement (other than clause 6 (*Financial Covenants*) of this Schedule) as a result of such change(s);

(ii) a report describing such change(s) and explaining the impact that such change(s) could have if no such amendments are made; and

(iii) sufficient information for the Finance Parties to make an accurate comparison between the situation where the proposed amendments are made versus the situation where the amendments are not made, in each case based on the Group's actual and projected financial position at the relevant time,

the Finance Parties agree to discuss such proposed amendments with RigCo and/or the Parent (as applicable) in good faith for a period of fifteen (15) Business Days. For the avoidance of doubt, the Finance Parties are under no obligation to agree to such proposed amendments.

1.4 Quarterly reporting pack

The Parent shall provide to the Agent as soon as reasonably practicable and in any event within seventy (70) days after each relevant Quarter Date:

(a) to the extent not provided pursuant to clause 5.1(a)(ii) of this Schedule in relation to the same reporting period, unaudited consolidated management accounts, including income statements, balance sheets and cash flow statements in substantially the form they are produced as at the Closing Date for management reporting purposes;

(b) fleet status reports; and

(c) to the extent not already provided in paragraph (a) or (b) above, information on key performance indicators and the status of the Drilling Units, including information on utilisation, backlog, average day-rates, average Drilling Units on contract, any health

and safety incidents, any material disposals or acquisitions, any stacking plans and environmental condition.

1.5 Quarterly management update call

Once in every Financial Quarter (commencing with the Financial Quarter ending 31 March 2022) at least two (2) executive directors of the Group (one of whom shall be the Group's Chief Financial Officer) shall host a conference call with the Finance Parties, at a time and date agreed with the Agent (acting reasonably) about the ongoing business and financial performance of the Group.

1.6 Budget

(a) The Parent shall provide to the Agent, as soon as the same becomes available, but in any event within thirty (30) days of the start of each of its financial years, an annual budget for that financial year, provided that the annual budget for the financial year starting on 1 January 2022 shall be provided by no later than the date falling thirty (30) days after the Closing Date.

(b) The Parent shall ensure that each budget:

(i) includes a projected consolidated income statement, balance sheet and cashflow statement of the Parent and projected financial covenant calculations in respect of the RigCo Group;

(ii) is prepared in accordance with the Accounting Principles and the accounting practices and financial reference periods applied to financial statements under clause 5.1 (*Financial statements*) of this Schedule; and

(iii) has been approved by the board of directors of the Parent.

(c) If the Parent updates or changes the budget in any way which materially changes the projections in a budget previously provided, they shall within not more than five (5) Business Days of the update or change being made deliver to the Agent, in sufficient copies for each Lender, such updated or changed budget, and such updated budget shall constitute the budget for the purposes of this Agreement.

1.7 Information - miscellaneous

The Obligors shall notify the Agent and/or supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) to the extent they are able to do so without breaching any law or regulation applicable to them, promptly upon becoming aware of them, the details of any claim, action, suit, proceeding or investigation with respect to Sanctions against it, any of its direct or indirect owners, Subsidiaries, any of their joint ventures or any of their respective directors, officers, employees, agents or representatives;

(b) all documents dispatched by the Parent to its shareholders generally, or by the Parent or any Obligor to or from its creditors generally at the same time as they are dispatched;

(c) to the extent they are able to do so without breaching any law or regulation applicable to them, promptly upon determining that a liability is probable, the details of any breaches of contracts, litigation, judgment, order, injunction, restraint, arbitration or administrative proceedings which are current or pending against any of the Obligors and which would, if adversely determined, be reasonably expected to have a Material Adverse Effect;

(d) immediately such further information regarding the business, properties, conditions, assets and operations (financial or otherwise) of the Obligors and their Subsidiaries as any Finance Party (through the Agent) may reasonably request;

(e) all filings with or reports forwarded to any Exchange;

(f) such updates of forecasts as the Agent may reasonably request;

(g) details of any Non-Recourse Subsidiary; and

(h) such information as required by clause 8.8(b) of the Senior Facility Agreement.

1.8 Notification of Default

The Obligors shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

1.9 Notification of Environmental Claims

The Obligors shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of the same, to the extent they are able to do so without breaching any law or regulation applicable to them:

(a) if any material Environmental Claim has been commenced or (to the best of the Obligors' knowledge and belief) is threatened against any of the Obligors or any of the Drilling Units; and

(b) of any incident, event, fact or circumstances which will or are reasonably likely to result in any material Environmental Claim being commenced or threatened against any of the Obligors, or any of the Drilling Units.

1.10 Information related to drilling contracts

(a) The Obligors' Agent shall provide the Agent with information on:

(i) any new drilling contract in respect of a Drilling Unit within five (5) Business Days after any such contract is entered into; and

(ii) any claim for termination of a drilling contract in respect of a Drilling Unit made by a charterer promptly after such claim has been made.

(b) The Obligors' Agent shall procure that a Contract Memo for any new drilling contract in respect of a Drilling Unit with a firm duration of more than ninety (90) days is sent to the Agent within thirty (30) Business Days of the entering into of such contract. Each Contract Memo shall be treated by the Agent as having Private Lender Information unless the Obligors' Agent notifies the Agent in writing that it should be treated as containing only Public Lender Information.

1.11 Drilling Units, Drilling Unit Owners, Intra-Group Charterers and Corporate Structure

(a) The Obligors' Agent shall provide the Agent with an updated Schedule 15 (*The Drilling Units*) of this Agreement within five (5) Business Days after any relevant change to a Drilling Unit Owner, Intra-Group Charterer, Charter Contract, Intra-Group Charterparty or ownership of a Drilling Unit, in each case made in accordance with the terms of this Agreement.

(b) If the updated Schedule 15 (*The Drilling Units*) referred to in paragraph (a) above comprises any information which is Private Lender Information, the Obligors' Agent shall provide to the Agent (i) one version of that updated Schedule which contains only Public Lender Information, and (ii) one version of that updated Schedule which contains Public Lender Information and Private Lender Information, and each version of that updated Schedule shall be made available to the Lenders in accordance with clause 5.14 (*Public Lenders*) of this Schedule.

(c) The Parent shall provide the Agent with information on and an updated Schedule 18 (*Corporate Structure*) within five (5) Business Days after any relevant change to the corporate structure of the Obligors, Security Providers, Seadrill Management or Seadrill Global Services or any relevant change to which entity who operates (or the operation of) the capital equipment or spare parts arrangements of the Group made in accordance with the terms of this Agreement.

1.12 Use of websites

(a) The Obligors' Agent and the Parent may satisfy their respective obligations under this Agreement to deliver any information to the Lenders by posting this information onto an electronic website designated by the Obligors' Agent and the Agent (for the purposes of this clause 5.12, the "**Designated Website**").

(b) The Obligors' Agent or the Parent shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) any password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) RigCo or the Parent becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

(c) If the Obligors' Agent or the Parent notifies the Agent under paragraph (b)(i) or paragraph (b)(v) above, all information to be provided by RigCo or the Parent under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent is satisfied that the circumstances giving rise to the notification are no longer continuing.

1.13 "Know your customer" checks

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Closing Date;

(ii) any change in the status of an Obligor after the date of the Closing Date; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of any prospective new Lender, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of any prospective new Lender, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent or any Lender in order for the Agent and the Lenders to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

1.14 Public Lenders

(a) In this Agreement:

"**Information Nominee**" has the meaning given to it in paragraph (e)(ii) below.

"**Private Lender**" means any Lender which is not a Public Lender.

"**Private Lender Information**" means any information and/or documentation that is not Public Lender Information.

"**Public Lender**" means a Lender who has elected to have access to the section of the website referred to in paragraph (b)(ii) below whether or not it has an Information Nominee who has elected to have access to the section of the website referred to in paragraph (b)(i) below.

"**Public Lender Information**" means all information and documentation with respect to the Group that is either:

(i) publicly available; or

(ii) not inside information or material non-public information for the purposes of the Market Abuse Regulation (Regulation 596/2014) or US federal and state securities laws.

(b) The Parent shall procure that the Agent maintains an electronic website for distribution of information to Lenders which includes separate sections, accessible at the option and election of each Lender (and, in the case of Public Lenders, at the option and election of any Information Nominee), for:

(i) information containing Private Lender Information and Public Lender Information; and

(ii) solely Public Lender Information.

(c) The Parent shall procure that all information and/or documentation to be distributed to the Agent or the Lenders will be identified in writing as either containing:

(i) Private Lender Information and Public Lender Information; or

(ii) solely Public Lender Information.

(d) The Parent shall procure that all information required to be provided under this Agreement to the Lenders (other than information provided at a meeting or call with the Finance Parties) is provided to the Lenders via the Agent and the website referred to in paragraph (b) above.

(e) Any Public Lender may:

(i) request in writing that the Parent does not distribute any Private Lender Information to it until such time as that Lender notifies the Parent in writing that it wishes to receive Private Lender Information; and

(ii) nominate one or more persons employed or engaged by it as a contact (an "**Information Nominee**") to receive information (including Private Lender Information) under this Agreement in place of that Lender's usual contacts by giving a notice in writing to the Parent and the Agent. For the avoidance of doubt, a Public Lender which nominates an Information Nominee shall, notwithstanding such nomination and the receipt by that Information Nominee of Private Lender Information, continue to be a Public Lender for the purposes of this Agreement.

(f) The Parent shall use reasonable endeavours to ensure that Private Lender Information is not distributed to any Lender which has requested not to receive Private Lender Information in accordance with paragraph (e) above (provided that Private Lender

Information may be distributed to a Public Lender's Information Nominee, if any, including via the section of the website referred to in paragraph (b)(i) above).

(g) If any member of the Group discloses information to a Public Lender (excluding, for the avoidance of doubt, its Information Nominee) which, in accordance with the provisions of this clause 5.14, was to be made available to Private Lenders only, and unless the Public Lender(s) to whom such information was disclosed agree(s) otherwise, the Parent shall ensure that such information (or the relevant parts of such information comprising Private Lender Information) is as soon as reasonably practicable (and in any event no later than three (3) Business Days following notification from a Public Lender of such disclosure) made publicly available in a manner in which such information (or the relevant part of such information) becomes Public Lender Information.

(h) For the avoidance of doubt, the election by any Lender pursuant to paragraph (b) above and the appointment of any person as an Information Nominee, and the receipt of any Confidential Information by any such Lender or Information Nominee, shall, in each case, be subject to compliance with clause 28 (*Disclosure of Information*) of the Senior Facility Agreement.

6. Financial Covenants

The financial covenants in this clause 6 are granted in favour of each Finance Party by RigCo and such financial covenants shall remain in force throughout the Security Period and are to be measured on a quarterly basis.

1.1 Financial definitions

When used in this clause 6 (*Financial Covenants*) the below terms shall have the meanings set out below:

"**Additional Indebtedness**" means any interest-bearing Financial Indebtedness incurred by members of the RigCo Group pursuant to:

(a) any Incremental Facility;

(b) any Refinancing Facility; and

(c) any Guarantee Facility (but only to the extent the principal amount of Financial Indebtedness thereunder has not been cash collateralised).

"**Adjusted EBITDA**" means, in relation to a Relevant Period, EBITDA for that Relevant Period adjusted by:

(d) including the operating profit (calculated on the same basis as EBITDA) of a member of the RigCo Group (or attributable to a business or assets) acquired during the Relevant Period, for that Relevant Period prior to it becoming a member of the RigCo Group or (as the case may be) prior to the acquisition of the business or assets, provided that:

(i) in the event that a member of the RigCo Group acquires rigs or rig owning entities with a firm charter contract in place and historical operating profit information (calculated on the same basis as EBITDA) is available for the rigs' or relevant entities' previous ownership but not in respect of the whole of the Relevant Period, such operating profit shall be annualised to represent operating profit (calculated on the same basis as EBITDA) for the Relevant Period and included within EBITDA, provided that such firm charter contract remained in place for the remainder of the Relevant Period; and

(ii) in the event that a member of the RigCo Group acquires rigs or rig owning companies without historical operating profit information (calculated on the same basis as EBITDA) available, RigCo may calculate the future projected operating profit (calculated on the same basis as EBITDA) for the next twelve (12) months subject to any such new rig having (i) a firm charter contract in place at the time of delivery of the rig with a duration of minimum

twelve (12) months and (ii) a firm charter contract in place at the time of such operating profit calculation, and such future projected operating profit (calculated on the same basis as EBITDA) shall be included within EBITDA for the Relevant Period, provided RigCo provides the Agent with a detailed calculation of the future projected operating profit; and

(b) excluding the operating profit (calculated on the same basis as EBITDA) of a member of the RigCo Group (or attributable to a business or assets) disposed of during the Relevant Period, for that part of the Relevant Period prior to such disposal.

"**Cash**" means:

(c) cash in hand legally and beneficially owned by a member of the RigCo Group;

(d) cash deposits legally and beneficially owned by a member of the RigCo Group and which are held in any account being the subject of any RigCo Account Charge or the Cash Sweep Accounts; and

(e) all other cash deposits legally and beneficially owned by a member of the RigCo Group and which are held in any other bank accounts (whether held in a bank account of a member of the RigCo Group or in the account of the relevant bank or other financial institution in favour of which such cash collateral was posted) which in each case are:

(i) free from any Security Interest (for the avoidance of doubt, for this purpose rights of set-off and similar rights in favour of any account bank on such account bank's usual terms of business shall not constitute a Security Interest), other than pursuant to the Security Documents;

(ii) otherwise (and excluding from the requirement in this paragraph (ii) any arrangements relating to (A) Security Interests pursuant to the Security Documents and/or (B) cash deposits subject to exchange or capital controls or similar legal requirements to which the relevant member of the RigCo Group or its directors is subject) at the free and unrestricted disposal of the relevant member of the RigCo Group by which it is owned; and

(iii) otherwise, in the case of cash deposits legally and beneficially owned by a member of the RigCo Group other than RigCo or Cash Pool Co (and excluding from the requirement in this paragraph (iii) any arrangements relating to (A) Security Interests pursuant to the Security Documents and/or (B) cash deposits subject to exchange or capital controls or similar legal requirements to which the relevant member of the RigCo Group or its directors is subject), capable or would, upon the occurrence of an Event of Default, become capable of being paid without restriction to RigCo or Cash Pool Co within five (5) Business Days of request or demand therefor by way of dividend or equity injection or by way of loan or by way of a repayment of principal (or the payment of interest thereon) in respect of an intercompany loan from RigCo or Cash Pool Co to that member of the RigCo Group.

"**Cash and Cash Equivalents Collateral**" means cash collateral and collateral over Cash Equivalents posted by a member of the RigCo Group which is secured in favour of persons other than the Common Security Agent (on behalf of the Senior Secured Finance Parties).

"**Cash Equivalents**" means at any time:

(a) any investment in marketable debt obligations issued or guaranteed by (i) a government of the United States of America, United Kingdom, Norway, or an EEA Member Country or (ii) an instrumentality or agency of such governments and in respect of (i) and (ii) having a credit rating of either A-1 or higher by Standard & Poor's Rating Group Services or the equivalent with any other principal credit rating agency in the United States of America or an EEA Member Country, maturing within one (1) year after the relevant date of calculation and not convertible or exchangeable to any other security;

(b) commercial paper (debt obligations) not convertible or exchangeable to any other security;

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in the United States of America, the United Kingdom or Norway;

(iii) which matures within one (1) year after the relevant date of calculation; and

(iv) which has a credit rating of at least A-1 or higher by Standard & Poor's Rating Group Services or the equivalent with any other principal credit rating agency in the United States of America or an EEA Member Country;

(c) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Group Services or the equivalent with any other principal credit rating agency in the United States of America or an EEA Member Country, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (b) above and (iii) can be turned into cash on not more than five (5) days' notice; or

(d) any other debt security approved by the Majority Lenders,

in each case, to which any member of the RigCo Group is alone (or together with other members of the RigCo Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the RigCo Group or subject to any Security Interest other than any security permitted pursuant to the Finance Documents.

"**EBITDA**" means, in respect of any Relevant Period, the consolidated operating profit of the RigCo Group before taxation (including the results from discontinued operations):

(e) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the RigCo Group (calculated on a consolidated basis) in respect of that Relevant Period;

(f) not including any accrued interest owing to any member of the RigCo Group;

(g) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the RigCo Group (and taking no account of the reversal of any previous impairment charge made in that Relevant Period);

(h) before taking into account any Exceptional Items;

(i) before any adjustment for non-cash charges or gains related to defined benefit schemes;

(j) before taking into account any gains and/or losses arising from a disposal of any asset to any person that is not a member of the RigCo Group or an upward or downward revaluation of any other asset;

(k) before deducting any fees, costs and expenses, stamp, registration and other Taxes incurred by or any member of the RigCo Group in connection with any Permitted Investment/Acquisition;

(l) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);

(m) adding back any costs or losses recovered through a claim under any insurance, warranty or indemnity;

(n) adding back any business interruption or loss recovered through insurance proceeds;

(o) adding back any non-cash charges relating to any employee equity plan or management incentive plan;

(p) excluding any costs or provisions relating to any share option or similar scheme; and

(q) before any allowance for excepted credit loss expense relating to operational items,

in each case to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the RigCo Group before taxation.

"**Exceptional Items**" means any material items of an unusual or non-recurring nature which represent a gain or loss or cost arising on or in relation to:

(r) the restructuring of any member of the Group (including the restructuring of the Group occurring at the Closing Date or as a result of a Permitted Group Restructuring) or other restructuring charge;

(s) disposals, revaluations, write downs or impairment of non-current assets;

(t) disposals of assets associated with discontinued operations; or

(u) any fees, cash, stamp duty, registration fees or Taxes related to any equity offering, investments, disposals, acquisitions, incurrence of Financial Indebtedness or other activities permitted under the terms of the Finance Documents.

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Net Funded Debt**" means, at any time, the aggregate of all outstanding principal amounts under the Secured Bank Facilities Agreements and any Additional Indebtedness less the aggregate amount of (i) Cash and Cash Equivalents and (ii) Cash and Cash Equivalents Collateral (excluding, for this purpose, any cash collateral provided in respect of any Guarantee Facility) which does not exceed the Permitted Cash and Cash Equivalents Collateral Threshold at that time.

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

"**Relevant Period**" means each period of twelve (12) months ending on or about the last day of each Financial Quarter.

"**RigCo Covenant Liquidity**" means, as at any date, the aggregate amount of Cash and Cash Equivalents of the RigCo Group plus the aggregate amount of any Cash and Cash Equivalents Collateral which does not exceed the Permitted Cash and Cash Equivalents Collateral Threshold.

"**Super Senior Debt**" means, at any time, the aggregate of all outstanding principal amounts under this Agreement (including in respect of any Incremental Facility).

"**Super Senior Gross Leverage Ratio**" means, in respect of any Relevant Period, the ratio of Super Senior Debt on the last day of that Relevant Period to Adjusted EBITDA in respect of that Relevant Period of the RigCo Group.

"**Total Net Leverage Ratio**" means, in respect of any Relevant Period, the ratio of Net Funded Debt on the last day of that Relevant Period to Adjusted EBITDA in respect of that Relevant Period of the RigCo Group.

1.2 RigCo Group minimum liquidity

(a) The RigCo Group Minimum Liquidity Requirement shall apply at all times but shall only be tested on each Quarter Date.

(b) RigCo shall procure that RigCo Covenant Liquidity will not be less than USD 175,000,000 at any time (the "**RigCo Group Minimum Liquidity Requirement**").

1.3 Super Senior Gross Leverage Ratio

(a) The Super Senior Gross Leverage Ratio will first be tested in respect of the Relevant Period ending on 30 September 2023 and thereafter in respect of each Relevant Period ending on each Quarter Date.

(b) RigCo shall procure that the Super Senior Gross Leverage Ratio shall:

(i) in respect of the Relevant Periods ending on 30 September 2023, 31 December 2023, 31 March 2024 and 30 June 2024, be equal to or less than 1.6x;

(ii) in respect of the Relevant Periods ending on 30 September 2024, 31 December 2024, 31 March 2025 and 30 June 2025, be equal to or less than 1.5x;

(iii) in respect of the Relevant Periods ending on 30 September 2025, 31 December 2025, 31 March 2026 and 30 June 2026, be equal to or less than 1.4x; and

(iv) in respect of any Relevant Period ending on or after 30 September 2026, be equal to or less than 1.3x.

1.4 Total Net Leverage Ratio

(a) The Total Net Leverage Ratio will first be tested in respect of the Relevant Period ending on 30 September 2023 and thereafter in respect of each Relevant Period ending on each Quarter Date.

(b) RigCo shall procure that the Total Net Leverage Ratio shall:

(i) in respect of the Relevant Periods ending on 30 September 2023, 31 December 2023, 31 March 2024 and 30 June 2024, be equal to or less than 5.0x;

(ii) in respect of the Relevant Periods ending on 30 September 2024, 31 December 2024, 31 March 2025 and 30 June 2025, be equal to or less than 4.5x;

(iii) in respect of the Relevant Periods ending on 30 September 2025, 31 December 2025, 31 March 2026 and 30 June 2026, be equal to or less than 4.0x; and

(iv) in respect of any Relevant Period ending on or after 30 September 2026, be equal to or less than 3.5x.

1.5 Financial testing

(a) The financial covenants set out in clauses 6.3 (*Super Senior Gross Leverage Ratio*) and 6.4 (*Total Net Leverage Ratio*) of this Schedule shall be calculated in accordance with the Accounting Principles applicable to the 2020 Seadrill Financial Statements and such financial covenants shall be tested by reference to the latest financial statements of the Parent delivered under this Agreement (whether audited or unaudited) (as adjusted to reflect the Accounting Principles applicable to the 2020 Seadrill Financial Statements and as adjusted to determine the applicable RigCo Group financial position in accordance with the latest RigCo Group Reconciliation Statement delivered under this Agreement) and each Compliance Certificate.

(b) The RigCo Covenant Liquidity shall be tested in accordance with clause 6.2 (*RigCo Group minimum liquidity*) of this Schedule and reported in each Compliance Certificate.

7. Undertakings

Each Obligor and, where specifically stated, the Parent gives the undertakings set out in this clause 7 to each Finance Party and such undertakings shall remain in force throughout the Security Period.

1.1 Authorisations etc.

Each of the Obligors shall (and the Obligors shall procure that each Security Provider will) promptly:

(a) obtain, comply and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Agent (if so requested) of,

any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

1.2 Compliance with laws and sanctions

(a) Each of the Obligors shall, and shall procure that each member of the Group and any Non-Recourse Subsidiary will, comply in all respects with all laws and regulations and constitutional documents to which it and the relevant Drilling Unit may be subject, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

(b) Each of the Obligors shall, and shall procure that each member of the Group and any Non-Recourse Subsidiary will, comply in all respects with Sanctions, including, but not limited to, laws, regulations and executive orders relating to the U.S. economic embargoes of countries, entities or individuals as administered by the Treasury Department, Office of Foreign Assets Control.

1.3 Environmental compliance

Each Obligor shall (and RigCo shall procure that each member of the RigCo Group will):

(a) comply with all Environmental Laws;

(b) obtain, maintain and ensure compliance with all requisite Environmental Approvals; and

(c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

1.4 Taxation

(a) Each Obligor shall (and the Parent shall procure that each member of the Group and any Non-Recourse Subsidiary will) pay and discharge all material Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under clause 5.1 (*Financial statements*) of this Schedule; and

(iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

(b) None of the Obligors may change its residence for Tax purposes, other than as part of or pursuant to a Permitted Group Restructuring. The Finance Parties agree to discuss with the Obligors' Agent and the Parent in good faith any amendments to the provisions of this Agreement relating to Tax due to a proposed change to any Obligor's residence for Tax purposes as part of or pursuant to a Permitted Group Restructuring (including the incorporation of provisions on market standard terms for

the relevant jurisdiction relating to the allocation of Tax deduction and withholding Tax risk, such as "Qualifying Lender" and related provisions on market standard terms) following a request in writing from the Obligors' Agent or the Parent which includes an explanation of the reason(s) for the change(s), and each of the Finance Parties, the Obligors' Agent and the Parent agrees to act reasonably in relation to any such request and change(s). For the avoidance of doubt, the Finance Parties are under no obligation to agree to such proposed amendments, but in the event that an Obligor changes or intends to change its tax residence as part of or pursuant to a Permitted Group Restructuring:

(i) the Obligor shall promptly notify the Agent (and the Agent, upon receipt of such notification, shall inform the Lenders); and

(ii) each Lender and such Obligor shall co-operate in completing any procedural formalities required to be completed to enable the Obligor to make any payment to the Lenders without any Tax Deduction under the laws of the jurisdiction in which the Obligor is or will be resident for tax purposes following such change (including by way of a Lender notifying its status and details under the HMRC DT Treaty Passport Scheme, where applicable), provided however that to the extent any Lender fails to complete any such procedural formalities and as a result the Obligor is not able to make payment to such Lender without any Tax Deduction, the rights of such Lender under Clause 16.2 (*Tax gross-up*) shall not be affected.

(c) A Finance Party is not obliged to take any steps under paragraph (b) above if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

1.5 Pari passu ranking

Each of the Obligors shall ensure that its and each Security Provider's obligations under the Finance Documents do and will rank at least pari passu with all its other present and future unsecured and unsubordinated obligations, except for those obligations which are preferred by mandatory law applying to companies generally in the jurisdictions of their incorporation or in the jurisdiction in the ports of calls.

1.6 Title

Subject to any disposal or other transaction in accordance with the terms of this Agreement, each Drilling Unit Owner shall, and RigCo shall procure that all Intra-Group Charterers shall (to the extent applicable), hold full legal title to and own the entire beneficial interest in the Drilling Units and its rights under or to (i) any Charter Contract, (ii) the Intra-Group Charterparties, (iii) the Insurances and (iv) any Earnings, free of any Security Interest and other interests and rights of every kind, except for:

(a) any Security Interest or such other interests or rights:

(i) created by the Security Documents or, if applicable, any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements; or

(ii) which constitute a Drilling Unit Permitted Encumbrance;

(b) subject to clause 8.4 (*Alteration to the Drilling Units*) of this Schedule, any rights or interests arising pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.; and

(c) any rights of set-off arising under any Charter Contract, any Intra-Group Charterparty or in respect of any Earnings.

1.7 Negative pledge

(a) Subject to paragraphs (b), (c) and (d) below, the Parent shall not, and shall procure that no member of the Group shall, create or permit to exist any Security Interest over any of its present or future undertakings, property, assets, rights or revenues (whether secured by the Security Documents or not), save for any Permitted Encumbrances.

(b) No Obligor shall, and the Obligors shall procure that no Security Provider (other than any Additional Security Provider) shall, permit any further Security Interest on any asset subject to any Security Interest under any of the Security Documents, save for:

(i) any Drilling Unit Permitted Encumbrance;

(ii) any other Security Interest listed in paragraphs (b) or (c) of clause 7.6 (*Title*) of this Schedule;

(iii) any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements;

(iv) any Security Interest permitted by paragraph (a) above in respect of assets which are subject to a Security Interest expressed to comprise a Floating Charge and not any other Security Interest under any of the Security Documents; and

(v) subject to the restrictions in clause 7.6 (*Title*) of this Schedule in the case of each Drilling Unit Owner and Intra-Group Charterer and provided that none of the following Security Interests shall be permitted by virtue of this paragraph (b)(v) in respect of any shares or other ownership interest in RigCo and any Drilling Unit Owner or Intra-Group Charterer:

(A) any netting or set-off arrangement entered into by any such Obligor or Security Provider in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the RigCo Group (including as part of any multi-account overdraft, group cash pool or group cash management arrangements);

(B) any lien arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any such Obligor or Security Provider;

(C) any Security Interest arising in connection with any unpaid Tax where the Tax is not yet due and payable or where the liability to pay such Tax is being contested in good faith by appropriate proceedings;

(D) any Security Interest arising under any court order or injunction or for costs arising in connection with any litigation or court proceedings being contested by such Obligor or Security Provider in good faith; and

(E) any attachment or judgment Security Interest or Security Interest otherwise arising as a result of legal proceedings and assessments by authorities not constituting an Event of Default.

(c) No Drilling Unit Owner or Intra-Group Charterer shall create or permit to subsist any Security Interest over any of its present or future undertakings, property, assets, rights or revenues (whether secured by the Security Documents or not), save for:

(i) any Drilling Unit Permitted Encumbrances;

(ii) any other Security Interest listed in paragraph (b) or (c) of clause 7.6 (*Title*) of this Schedule;

(iii) any Security Interest created pursuant to the Security Documents;

(iv) any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements; and

(v) subject to the restrictions in clause 7.6 (*Title*) of this Schedule, any Security Interest listed under paragraphs (b)(v)(A) to (E) above.

(d) No Drilling Unit Owner or Intra-Group Charterer shall encumber any employment contract in respect of any of the Drilling Units, save for:

(i) any Security Interests created pursuant to the Security Documents;

(ii) any Drilling Unit Permitted Encumbrances;

(iii) any other Security Interest listed in paragraph (b) or (c) of clause 7.6 (*Title*) of this Schedule; and

(iv) any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements.

1.8 Change of business

(a) The Parent shall ensure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on as of the Closing Date.

(b) Except with (i) the prior written consent of the Agent (acting on the instructions of the Majority Lenders), (ii) pursuant to a Permitted Group Restructuring, or (iii) otherwise pursuant to any disposal, termination or other transaction permitted by this Agreement, no Obligor will:

(i) cease to carry on, or make any change to the general nature of, its business and activities as conducted as of the date hereof, or carry on any other business, except for any similar related business as presently conducted; or

(ii) change the place of its jurisdiction of incorporation or its organisation.

1.9 Stock Exchange Listing

(a) The Parent shall procure that its shares are listed on the Euronext Expand (and thereafter shall maintain such listing until the Parent is listed on the Oslo Stock Exchange) and subsequently on the Oslo Stock Exchange (and thereafter shall maintain such listing):

(i) in respect of the Euronext Expand, by the later of (i) the date falling nine (9) weeks after the Closing Date and (ii) as soon as reasonably practicable after, and in any event not later than six (6) weeks after, the Euronext Expand Listing Conditions are satisfied; and

(ii) in respect of the Oslo Stock Exchange, as soon as reasonably practicable after, and in any event not later than nine (9) weeks after, listing on the Euronext Expand and meeting the applicable requirements for listing on the Oslo Stock Exchange.

(b) If the Parent is not listed on the Euronext Expand by the date falling nine (9) weeks after the Closing Date then it will enter into good faith discussions with the Agent on behalf of the Lenders regarding the current status of listing and any steps available to the Parent and the Lenders to secure a listing on the Euronext Expand as soon as reasonably practicable.

(c) The Parent shall procure, subject to meeting the applicable requirements for such listing, that its shares are listed on either the New York Stock Exchange or the OTCQX as soon as reasonably practicable on or after listing on the Oslo Stock Exchange (and thereafter shall maintain such listing until, in the case of the OTCQX, its shares are listed on the New York Stock Exchange).

(d) If pursuant to the requirements of paragraph (c) above the Parent lists its shares on the OTCQX then the Parent shall, following the listing of its shares on the OTCQX and subject to and as soon as reasonably practicable after meeting the applicable requirements for listing on the New York Stock Exchange, and in any event not later than six (6) weeks after meeting the applicable requirements for such listing, procure that its shares are listed (and thereafter shall maintain such listing) on the New York Stock Exchange, unless the Majority Lenders have agreed that the Parent may list its

shares on the OTCQX without the need to procure a listing on the New York Stock Exchange.

(e) If the Parent is not listed on the Oslo Stock Exchange by the date falling eighteen (18) weeks after the Effective Time then it will enter into good faith discussions with the Agent on behalf of the Lenders regarding the current status of its listing and any steps available to the Parent and the Lenders to secure a listing on the Oslo Stock Exchange and/or the New York Stock Exchange as soon as reasonably practicable.

(f) The Parent shall take all reasonable steps available to it for the purposes of securing the listings referred to in paragraphs (a), (c) and (d) above as soon as reasonably practicable.

1.10 Finance Documents

The Obligors shall, and the Obligors shall procure that the Security Providers shall, perform all of their obligations under the Finance Documents at all times in the manner and upon the terms set out therein.

1.11 Mergers and demergers

Except with the prior written consent of the Agent (acting on the instructions of the Majority Lenders) or pursuant to a Permitted Group Restructuring, and other than any merger in respect of the Parent to which clause 2.5 (*Change of control*) of this Schedule applies, no Obligor shall:

(a) enter into any merger or consolidation with any other company other than:

(i) if the relevant Obligor is a member of the RigCo Group, with another member of the RigCo Group;

(ii) where the Obligor will survive as a separate legal entity, or in case of a merger or consolidation between two Obligors at least one Obligor will survive as a separate legal entity, in both cases the surviving Obligor remaining bound in all respects by its obligations and liabilities under the Finance Documents; and

(iii) where the Drilling Unit Owners will continue to be special purpose companies, owning only their relevant Drilling Units and any rights or other assets ancillary or incidental thereto;

(b) demerge itself into any two or more companies other than:

(i) in connection with a Disposal permitted pursuant to the terms of clause 2.2 (*Sale or disposal*) of this Schedule, provided that any company resulting from the demerger which is not the subject of a Disposal pursuant to clause 2.2 (*Sale or disposal*) of this Schedule will after the demerger continue to be a member of the RigCo Group and remain or become (as the case may be) an Obligor hereunder in accordance with the terms of this Agreement; and

(ii) in all other cases:

(A) if the relevant Obligor is a member of the RigCo Group, where such companies will after the demerger continue to be members of the RigCo Group; and

(B) such companies remain or become (as the case may be) Obligors hereunder in accordance with the terms of this Agreement; or

(c) undertake any corporate reconstruction other than as permitted by paragraphs (a) and/or (b) above.

1.12 Financial year

Except with the prior written consent of the Agent (acting on the instructions of the Majority Lenders), neither the Parent nor RigCo shall alter its financial year end.

1.13 Earnings Accounts

(a) RigCo shall, and/or shall procure that the relevant Drilling Unit Owner and/or Intra-Group Charterer shall, open and maintain for the duration of the Facilities one or more Earnings Accounts in its name or, as applicable, the name of the relevant Drilling Unit Owner and/or Intra-Group Charterer, and shall procure that all Earnings (excluding service income for manning, services and procurement etc. held with separate third party contractors for the purpose of optimizing the fiscal structure of the drilling operations) in respect of the Drilling Units are (i) credited to an Earnings Account and (ii) subject to the security arrangements contemplated by this Agreement.

(b) Amounts in any and all Earnings Accounts shall be freely available to RigCo, the Drilling Unit Owners and/or the Intra-Group Charterers (as applicable) provided that no notice has been given to any Obligor by the Common Security Agent that such amounts shall not be freely available.

(c) RigCo (and, if applicable, each relevant Drilling Unit Owner and/or Intra-Group Charterer) shall provide available statements regarding any Earnings Account opened in its name upon reasonable request from the Common Security Agent.

1.14 Restrictions on Financial Indebtedness

(a) Subject to paragraphs (b), (c) and (d) below, the Parent shall not, and shall procure that no member of the Group shall, incur or permit to subsist any Financial Indebtedness owed or to be owed by it, other than any Permitted Financial Indebtedness.

(b) No Obligor (other than the Parent and RigCo) shall incur, create or permit to subsist any Financial Indebtedness owed or to be owed by it other than:

(i) Financial Indebtedness incurred under the Senior Secured Finance Documents as at the Closing Date or under any Incremental Facility;

(ii) Financial Indebtedness incurred under a Refinancing Facility;

(iii) any loans, advances or other credit made or extended to any Drilling Unit Owner, Intra-Group Charterer or any other Obligor (other than the Parent) where such loan, advance or credit is made or extended by RigCo or another member of the RigCo Group, provided that the liabilities of the relevant Drilling Unit Owner, Intra-Group Charterer or other Obligor (other than the Parent) to repay such loan, advance or credit are subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

(iv) Financial Indebtedness existing at the Closing Date (but only to the extent the relevant Financial Indebtedness and the Obligors for which such Financial Indebtedness is applicable are disclosed in writing to the Agent prior to the Closing Date);

(v) Financial Indebtedness which arises from any netting or set-off arrangement entered into by any such Obligor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the RigCo Group (including as part of any multi-account overdraft, group cash pool or group cash management arrangements);

(vi) Financial Indebtedness which is a liability (i) under any advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services, or (ii) arising under any commercial agreement or arrangement by virtue of the extension, deferral, reduction or other variation of payment terms, in each case in the ordinary course of business; or

(vii) Financial Indebtedness consented to by the Agent (acting on the instructions of the Majority Lenders).

(c) RigCo shall procure that no member of the RigCo Group (other than RigCo) shall incur, create or permit to subsist any intra-group loan liability other than to RigCo or another member of the RigCo Group.

(d) Any intra-group liability owed by any Obligor to another member of the RigCo Group shall be subordinated to the Secured Obligations pursuant to the Intercreditor Agreement.

1.15 Transactions with Affiliates

The Parent shall procure that all transactions entered into by any member of the Group with an Affiliate are made on arm's length terms (as determined by the board of directors of the relevant entity or a member of senior management of the Parent or RigCo, in each case acting reasonably), other than:

(a) transactions and payments expressly permitted under this Agreement or entered into in the ordinary course of that member of the Group's business with another member of the Group;

(b) transactions arising pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc. (other than between a Non-Recourse Subsidiary and any other member of the Group); and

(c) intra-group loans owed by or to a member of the RigCo Group where granted or owed by another member of the RigCo Group or owed by or to a member of the Seadrill Group where granted or owed by another member of the Seadrill Group and, in each case, not otherwise prohibited by the terms of this Agreement.

1.16 Disposals

(a) Subject to paragraph (b) below, the Parent shall not, and shall procure that no member of the Group shall, enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any asset or its economic interest, other than any Permitted Disposal.

(b) No Obligor shall, and the Obligors shall procure that no Security Provider (other than any Additional Security Provider) shall, enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer, or otherwise dispose of its economic interest in any asset being the subject of a Security Interest pursuant to the Security Documents other than any sale or disposal:

(i) in accordance with clause 2.2 (*Sale or disposal*) of this Schedule;

(ii) pursuant to a Permitted Group Restructuring;

(iii) of a Material IP Right, provided that the disposal of such Material IP Right is to a member of the Group and the Finance Parties will continue to have the same or substantially equivalent security over any such Material IP Right;

(iv) which is the granting of any licence of Intellectual Property in the ordinary course of business;

(v) contractually committed to or agreed to by an Obligor and/or Security Provider as at the Closing Date (but only to the extent the relevant disposal and the Obligors and/or Security Providers for which such disposal is applicable are disclosed in writing to the Agent prior to the Closing Date);

(vi) which is the granting of any lease, drilling contract, charter, bareboat charter or operating lease, in each case entered into in the ordinary course of business and including any lease or charter (including bareboat charter) entered into with any joint venture or similar arrangement contemplated by and in accordance with clause 7.21(f) (*Ownershi*p) of this Schedule;

(vii) to give effect to any ownership structure or joint venture or similar arrangement contemplated by and in accordance with clause 7.21(f) (*Ownership*) of this Schedule;

(viii) permitted pursuant to clause 7.11 (*Mergers and demergers*) of this Schedule;

(ix) which is the application of cash not otherwise prohibited by the terms of this Agreement;

(x) pursuant to any Security Interest permitted by clause 7.7 (*Negative pledge*) of this Schedule in respect of Obligors and Security Providers;

(xi) to a member of the RigCo Group subject to complying with clause 10.3 (*Changes to the Guarantors*) of this Schedule and the terms of this Agreement;

(xii) pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group in accordance with the terms of this Agreement (including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.);

(xiii) of any Earnings, transfer of funds from the Earnings Accounts or in respect of any Insurance in each case in compliance with any applicable terms of Finance Documents;

(xiv) of any asset subject to a Security Interest expressed to comprise a Floating Charge and not any other Security Interest under any of the Security Documents where the disposal of such asset is permitted by paragraph (a) above; or

(xv) consented to by the Agent (acting on the instructions of the Majority Lenders).

1.17 Financial Support

(a) Subject to paragraphs (b), (c) and (d) below, the Parent shall not, and shall procure that no member of the Group shall, provide, issue, create or permit to subsist (where provided by it) any Financial Support (including contingent Financial Support), other than any Permitted Financial Support.

(b) No Obligor (other than the Parent, RigCo and any Intra-Group Charterer not being an intra-group charterer only in respect of the Drilling Units) shall, and the Obligors shall procure that no Security Provider (other than any Additional Security Provider) shall provide, issue, create or permit to subsist (where provided by it) any Financial Support (including contingent Financial Support) other than:

(i) Financial Support existing at the Closing Date (but only to the extent the relevant Financial Support and the Obligors and/or Security Providers for which such Financial Support is applicable are disclosed in writing to the Agent prior to the Closing Date);

(ii) Financial Support to the extent that it comprises Financial Indebtedness permitted in respect of Obligors and Security Providers pursuant to clause 7.14 (*Restrictions on Financial Indebtedness*) of this Schedule;

(iii) where provided for the benefit of any Drilling Unit Owner or Intra-Group Charterer, or otherwise to facilitate or secure the employment of any Drilling Unit, any guarantee, indemnity or similar arrangement under or pursuant to any Intra-Group Charterparty or Charter Contract for or in respect of any Drilling Unit or otherwise customarily provided under the terms of any charter or other agreement or other arrangement relating to the employment, use, possession, management, maintenance, improvement or other alteration, storage and/or operation of any Drilling Unit;

(iv) Financial Support comprising any equity injections or equity contributions to its Subsidiaries which are members of the RigCo Group;

(v) Financial Support which is provided, procured, created or permitted to subsist in the ordinary course of trading;

(vi) Financial Support arising pursuant to the provision of any administrative, accounting, management or operational services in the ordinary course of business;

(vii) Financial Support arising pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.;

(viii) which constitutes an Investment or Acquisition permitted to be made by such Obligor or Security Provider pursuant to clause 7.20 (*Investments and Acquisitions*) of this Schedule; or

(ix) Financial Support consented to by the Agent (acting on the instructions of the Majority Lenders),

provided in each case that the permissions set out in paragraphs (i) – (viii) above shall not permit the Obligors or Security Providers to provide Financial Support (directly or indirectly) to any Non-Recourse Subsidiary or the NSNCo Group.

(c) RigCo shall not provide, procure, create or permit to subsist any intra-group loans from it to any member of the Group other than:

(i) RigCo Upstream Loans; or

(ii) loans to any member of the RigCo Group.

(d) Any Obligor (other than the Parent and RigCo) shall not provide, procure, create or permit to subsist any intra-group loans from it to any member of the Group other than members of the RigCo Group.

1.18 Centre of Main Interest

Other than pursuant to a Permitted Group Restructuring, none of the Obligors shall change its centre of main interest or establishment to another jurisdiction without obtaining the prior written consent from the Agent (acting on the instructions of the Majority Lenders). If requested by the Parent, the Finance Parties agree to discuss with the Obligors' Agent and the Parent in good faith any amendments to the provisions of this Agreement relating to Tax (including the incorporation of provisions on market standard terms for the relevant jurisdiction relating to the allocation of Tax deduction and withholding Tax risk) following a request in writing from the Obligors' Agent and the Parent which includes an explanation of the reason(s) for the change(s), and each of the Finance Parties, the Obligors' Agent or the Parent agrees to act reasonably in relation to any such request and change(s). For the avoidance of doubt, the Finance Parties are under no obligation to agree to such proposed amendments.

1.19 Assignment of contracts

If an Event of Default has occurred and is continuing the Obligors will, upon the Common Security Agent's request, use best endeavours to assign the rights and obligations under contracts pertaining to the Drilling Units (with members of the RigCo Group as well as ultimate charterers) or any of them to one or several parties nominated by the Common Security Agent.

1.20 Investments and Acquisitions

(a) Subject to paragraph (b) below, the Parent shall not, and shall procure that no member of the Group shall, make any Investments or Acquisitions other than any Permitted Investment/Acquisition.

(b) The Drilling Unit Owners shall not make any Investments or Acquisitions, except:

(i) pursuant to a Permitted Group Restructuring;

(ii) any Investment or Acquisition which arises pursuant to any legally binding obligation, commitment or arrangement of a Drilling Unit Owner existing at the Closing Date (but only to the extent the relevant Investment or Acquisition and the Drilling Unit Owners for which such Investment or Acquisition is applicable are disclosed in writing to the Agent prior to the Closing Date); and

(iii) any Investment or Acquisition described under paragraph (l) of the definition of "Permitted Investment/Acquisition" (but only in circumstances where the relevant Drilling Unit Owner leases or charters one or more of its Drilling Units to the relevant joint venture entity or Subsidiary of that joint venture entity and subject always to compliance with the requirements of clause 7.21(f) (*Ownershi*p) of this Schedule).

(c) For the avoidance of doubt, this clause 7.20 will not restrict any capital expenditure or investment related to upgrade or maintenance work in respect of any Drilling Unit or otherwise in the ordinary course of business or in accordance with clause 8.4 (*Alteration to the Drilling Units*) of this Schedule.

1.21 Ownership

(a) The Parent shall keep one hundred per cent (100%) ownership (capital and voting rights) in each of IHCo and RigCo, either directly or indirectly.

(b) IHCo shall keep one hundred per cent (100%) direct ownership (capital and voting rights) in RigCo.

(c) RigCo shall keep one hundred per cent (100%) direct ownership (capital and voting rights) in Cash Pool Co and the Borrower.

(d) RigCo shall, subject to paragraph (f) below and any transaction or disposal in accordance with the terms of this Agreement, keep one hundred per cent (100%) ownership (capital and voting rights) in each of the Guarantors (other than the Parent and Cash Pool Co), Seadrill Management, Seadrill Global Services and Seadrill Americas, Inc., either directly or indirectly.

(e) The Drilling Units shall be owned by the respective Drilling Unit Owner as set out in Schedule 15 (*The Drilling Units*), subject to paragraph (f) below and any transaction or disposal in accordance with the terms of this Agreement. For the avoidance of doubt, a Drilling Unit Owner may own more than one Drilling Unit at any time (where the acquisition of the relevant Drilling Unit is made pursuant to a Permitted Group Restructuring).

(f) Drilling Unit Owners and Intra-Group Charterers may be less than one hundred per cent (100%) owned (directly or indirectly) by RigCo (and shares or other ownership interests in Drilling Unit Owners or Intra-Group Charterers may be disposed of or issued or joint venture arrangements entered into, excluding to or with any Non-Recourse Subsidiary, or any member of the NSNCo Group) to the extent necessary to (i) meet local content requirements or applicable regulations for the operation of a Drilling Unit or performance of a drilling contract or the deployment of a Drilling Unit in a particular jurisdiction or (ii) secure a drilling contract or an extension of a drilling contract where the board of directors of the Parent (acting reasonably) considers the contractual arrangements with respect to such arrangements to be in the best interest of the Group and where the Parent provides details to the Agent explaining the business rationale for the same, in each case provided that:

(i) RigCo gives prior notice to the Agent and the Common Security Agent of any change of ownership of the relevant Drilling Unit Owner and/or Intra-Group Charterer;

(ii) the relevant Drilling Unit Owner and/or Intra-Group Charterers remains a Subsidiary of RigCo and the shares or other ownership interest in the relevant Drilling Unit and/or Intra-Group Charterer that remains owned by RigCo or another member of the RigCo Group shall continue to be subject to the applicable Security Interests pursuant to the Security Documents;

(iii) subject to clause 7.6 (*Title*) of this Schedule the relevant Drilling Unit Owner shall continue to hold full legal title to and own the entire beneficial interest in the relevant Drilling Unit and the Insurances and the relevant Drilling Unit and Insurances shall continue to be subject to the applicable Security Interests pursuant to the Security Documents;

(iv) any lease or charter (including bareboat charter) of the relevant Drilling Unit shall be on arm's length terms for consideration which (taking into account the value attributed to the economic interest acquired or retained by the RigCo Group in the relevant joint venture or similar arrangement) the board of directors of the Parent (acting reasonably) considers to be fair value;

(v) any Earnings arising from any lease or charter (including bareboat charter) referred to in paragraph (iv) shall continue to be subject to the applicable Security Interest pursuant to the Security Documents;

(vi) there is no Default continuing at the time the arrangement is entered into;

(vii) each Finance Party has been provided with all "know your customer" documents reasonably requested by the Agent (for itself or on behalf of any Finance Party) or any Finance Party necessary in order to comply with all "know your customer" checks under applicable laws, regulations and internal policy requirements in relation to that co-investor, such documents to be in a form and substance satisfactory to such Finance Party (acting reasonably); and

(viii) the co-investor in such Drilling Unit Owner or Intra-Group Charterer is not an entity in respect of which it is contrary to applicable law, regulation or internal policy requirements (including, but not limited to, in relation to sanctions) of any Finance Party to engage in business with.

1.22 Corrupt Practices

Each Obligor shall act in compliance with all applicable laws and regulations relating to bribery and corrupt practices and shall use all reasonable endeavours to procure that any person acting on its behalf acts in such manner in the course of acting for it.

1.23 Use of proceeds

No proceeds of a Loan shall be made available, directly or indirectly, to or for the benefit of a Restricted Party nor shall they be otherwise, directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions.

1.24 Sanctions

(a) Each Obligor shall ensure that none of their, nor any of their Subsidiaries', respective directors, officers, employees, agents or representatives or any other persons acting on any of their behalf, is a person listed on any Sanctions List.

(b) The Parent shall maintain policies and procedures designed to promote and achieve compliance by each member of the Group with applicable Sanctions.

1.25 RigCo Group cash sweep

(a) RigCo shall procure that each member of the RigCo Group (other than RigCo and Cash Pool Co) shall, on or as soon as reasonably practicable after each Interest Payment Date, transfer any cash and cash deposits legally and beneficially held by that member of the RigCo Group into the Cash Sweep Accounts, excluding:

(i) cash and cash deposits subject to exchange or capital controls or similar legal requirements to which the relevant member of the RigCo Group or its directors are subject;

(ii) cash and cash deposits where Tax and/or other fees or costs on the payment or transfer of such funds to Cash Pool Co would (A) exceed 5% of the total amount of the relevant payment or transfer for that member of the RigCo

Group and/or Cash Pool Co or (B) otherwise be an amount materially prejudicial to the relevant member of the RigCo Group and/or Cash Pool Co;

(iii) cash and cash deposits which are required by that member of the RigCo Group to meet debt service obligations from and including such Interest Payment Date until the next Interest Payment Date and ongoing financial and operating costs;

(iv) cash collateral posted by a member of the RigCo Group (whether held in a bank account of a member of the RigCo Group or in the account of the relevant bank or other financial institution in favour of which such cash collateral was posted) to the extent permitted by the terms of this Agreement; and

(v) cash and cash deposits not at the free and unrestricted disposal of the relevant member of the RigCo Group by which it is owned as a result of any Security Interest permitted by the terms of this Agreement or any joint venture or similar arrangement contemplated by, and which is in compliance with, clause 7.21(f) (*Ownership*) of this Schedule.

(b) RigCo shall provide evidence of the amount standing to the Cash Sweep Accounts in each Compliance Certificate and shall provide such further information evidencing compliance with this clause 7.25 as may be reasonably requested by the Agent.

1.26 Payments out of the RigCo Group

RigCo shall procure that no member of the RigCo Group shall make any payments to any other member of the Group (other than a member of the RigCo Group) except:

(a) any Junior Obligations Permitted Payment, provided that:

(i) no Event of Default is continuing under this Agreement or, in any such case, would result therefrom; and

(ii) such payments are to be promptly applied to meet the purpose for which they are being made; or

(b) any Structural Permitted Payment, provided that such payments are to be promptly applied to meet the purpose for which they are being made,

and, in each case, any such payments from RigCo to a member of the Group (other than a member of the RigCo Group) shall be made by way of repayment of Seadrill Group Downstream Loans or by way of RigCo Upstream Loans.

1.27 Parent Dividends

The Parent shall not:

(a) make any dividend payments or other distributions in respect of its share capital to its shareholders;

(b) enter into any total return swaps or enter into similar transactions with similar effect; or

(c) buy back or redeem any shares in its capital.

1.28 RigCo Dividends

RigCo shall not:

(a) make any dividend payments or other distributions in respect of its share capital to its direct or indirect shareholders;

(b) enter into any total return swaps or enter into similar transactions with similar effect; or

(c) buy back or redeem any shares in its capital.

1.29 Parent undertaking

(a) Subject to paragraph (b) below, the Parent shall not, and shall ensure that no member of the Seadrill Group shall, trade, carry on any business, own any assets, make any investment or acquisition or incur any liabilities, other than:

(i) the business or trade of a holding company and all activities incidental thereto;

(ii) the acquisition and ownership of shares in RigCo and any other Subsidiary;

(iii) the acquisition and ownership of shares in Seadrill New Finance Ltd.;

(iv) any acquisition of or investment in, and the ownership of:

(A) any minority interest in any entity not comprising a member of the Group or a member of the NSNCo Group; and

(B) any Non-Recourse Subsidiary (including, for the avoidance of doubt, the making of any Permitted Non-Recourse Subsidiary Investment);

(v) the disposal of any minority interest referred to in paragraph (iv)(A) above or any interest in any Non-Recourse Subsidiary;

(vi) the entering into, the exercise of rights and the performance of obligations under, loans and other intercompany obligations owed to, or by, (A) RigCo, (B) any Non-Recourse Subsidiary, or (C) any other Subsidiary outside the RigCo Group, each case in accordance with the terms of the Finance Documents, and any liabilities arising under such loans and intercompany obligations;

(vii) the provision of administrative services (excluding treasury services) to (A) any member of the RigCo Group, (B) any Non-Recourse Subsidiary, or (C) any other Subsidiary outside the RigCo Group, of a type customarily provided by a holding company to its Subsidiaries;

(viii) operating, exercising its rights and performing its obligations under Senior Secured Finance Documents and any liabilities under the Senior Secured Finance Documents or any documentation in respect of any other Permitted Financial Indebtedness, including but not limited to any SDRL Debt Issue and the application of cash, the transfer of funds and the granting of loans to (A) RigCo, (B) any Non-Recourse Subsidiary or (C) any other Subsidiary outside the RigCo Group, in each case in accordance with the terms of the Finance Documents;

(ix) any Permitted Financial Support or, to the extent permitted to be incurred by the Parent, Permitted Financial Indebtedness;

(x) those activities necessary or desirable for the preservation of its corporate existence and maintenance of its tax status;

(xi) participating in group tax and accounting activities (including but not limited to tax planning);

(xii) professional fees and administration costs in the ordinary course of business as a holding company;

(xiii) the acquisition and surrender of tax losses;

(xiv) arrangements relating to the remuneration (including pension and other benefits) and incentivisation of, and the indemnification of, directors, officers and employees;

(xv) exercising its rights and performing its obligations under ring-fenced legacy ship yard contracts in existence at the Closing Date to which certain members of the Seadrill Group (other than the Parent) are party; and

(xvi) as consented to in writing by the Agent (acting on the instructions of the Majority Lenders).

(b) Nothing in this Agreement will restrict or limit any SDRL Equity Issue.

1.30 Cash Pool Co undertaking

Cash Pool Co shall not trade, carry on any business, own any assets, make any investment or incur any liabilities except:

(a) the business or trade of holding the header accounts for the RigCo Group's cash pool, being the head company in the RigCo Group's cash pool arrangements, operating such cash pool arrangements, the incurring, creating or servicing of any Financial Indebtedness permitted pursuant to clause 7.14 (*Restrictions on Financial Indebtedness*) of this Schedule and, in each case, all activities incidental thereto;

(b) the entering into, the exercise of rights and the performance of obligations under RigCo Group's cash pool arrangements, loans and other intercompany obligations owed to, or by, any member of the RigCo Group in accordance with the terms of the Finance Documents, and any liabilities arising under such loans and intercompany obligations and the opening and maintaining of the Cash Sweep Accounts (and all activities incidental thereto);

(c) operating, exercising its rights and performing its obligations under the Senior Secured Finance Documents;

(d) those activities necessary or desirable for the preservation of its corporate existence and maintenance of its tax status;

(e) participating in group tax and accounting activities (including but not limited to tax planning);

(f) professional fees and administration costs in the ordinary course of business as a cash pool header company;

(g) the acquisition and surrender of tax losses; and

(h) as consented to in writing by the Agent (acting on the instructions of the Majority Lenders).

8. Drilling Unit Covenants

The Obligors give the undertakings set out in this clause 8 to each Finance Party and such undertakings shall remain in force throughout the Security Period.

1.1 Minimum Market Value

(a) The Obligors will procure that the Market Value of all the Drilling Units is at least one hundred and thirty five per cent (135%) of the sum of the Senior Secured Commitments.

(b) The covenant in paragraph (a) above has been waived by the Finance Parties up until the Termination Date and the provisions of paragraph (a) above are therefore suspended until the Termination Date.

1.2 Market Valuation of the Drilling Units

The Borrower shall (at its own expense):

(a) arrange for the Market Value of each of the Drilling Units to be determined and valued as at 30 June and 31 December each year and deliver each such valuation to the Agent (but not for the purpose of determining any compliance with clause 8.1 (*Minimum Market Value*) of this Schedule) at the same time as delivery of each Compliance Certificate to be delivered to the Agent pursuant to clause 5.2

(*Compliance Certificate*) of this Schedule for the Financial Quarters ending 30 June and 31 December each year; and

(b) if an Event of Default has occurred and is continuing, upon the request of the Agent, arrange for the Market Value of each of the Drilling Units to be determined.

1.3 Insurance

(a) Each Obligor shall maintain or ensure that each of the Drilling Units is insured against such risks, including the following risks: hull and machinery, protection & indemnity (including an adequate club cover for pollution liability as normally adopted by the industry for similar Drilling Units), hull interest and/or freight interest and war risk (including piracy, terrorism and confiscation) insurances, in such amounts and currencies, on such terms (always applying Norwegian law and including the terms of the Nordic Marine Insurance Plan of 2013 (as amended from time to time)) and with such insurers (and re-insurers, if relevant) and placed through insurance brokers as the Agent (acting on the instructions of the Majority Lenders (acting reasonably)) shall approve as appropriate for an internationally reputable major drilling contractor.

(b) If any insurances are placed through captive vehicles, the Borrower shall ensure (i) that proper cut-through clauses are provided in favour of the Agent (on behalf of the Finance Parties) in the re-insurance policy/-ies and evidence of the same is provided to the Agent and (ii) that the Common Security Agent (on behalf of the Senior Secured Finance Parties) is granted an assignment over the re-insurances by way of an Assignment of Insurances. No more than ten per cent (10%) of the insurances can be placed through captive vehicles, without the prior written consent of the Agent (acting on the instructions of all the Lenders). The Borrower shall provide the Agent with details of terms and conditions of the insurances and break down of insurers. The captive vehicle is not allowed to assume a claims leadership position without the prior written consent of the Agent (acting on the instructions of all the Lenders).

(c) The insured value of each of the Drilling Units shall at all times be at least equal to or higher than the Market Value of that Drilling Unit. The aggregate insured value of the Drilling Units shall at all times be at least equal to one hundred and twenty per cent (120%) of the outstanding Senior Secured Commitments, provided that, for so long as the amount representing one hundred and twenty per cent (120%) of the outstanding Senior Secured Commitments is higher than the Market Value of the relevant Drilling Unit and (i) the relevant Drilling Unit Owner (or RigCo on behalf of any of them) has used all reasonable efforts to secure insurance for the Drilling Units for an aggregate insured value greater than or equal to one hundred and twenty per cent (120%) of the outstanding Senior Secured Commitments and (ii) the Group's insurance broker or advisor has confirmed that such insurance at such level is not available in the market and RigCo provides evidence of such confirmation to the Agent, the relevant Drilling Unit Owner (or RigCo on behalf of any of them) shall only be required to seek as high an aggregate insured value as the Group's insurance broker or advisor confirms is available in the market, subject to a minimum of the higher of (x) the aggregate Market Value of the Drilling Units and (y) the amount representing one hundred per cent (100%) of the outstanding Senior Secured Commitments.

(d) The aggregate insurance value of the Drilling Units pursuant to paragraph (c) above shall be updated on a semi-annual basis by reference to the regular rig valuations provided pursuant to clause 8.2 (*Market Valuation of the Drilling Units*) of this Schedule.

(e) The value of the hull and machinery insurance for each Drilling Unit shall cover at least eighty per cent (80%) of the Market Value of that Drilling Unit, and the aggregate insured values in the hull and machinery insurances of the Drilling Units shall at all times be at least equal to the outstanding Senior Secured Commitments.

(f) The Borrower shall procure that the Common Security Agent (on behalf of the Senior Secured Finance Parties) is noted as first priority mortgagee and sole loss payee in the insurance contracts, together with the confirmation from the underwriters to the Common Security Agent that the notice of assignment with regards to the Insurances

and the loss payable clauses (with a monetary threshold of USD 25,000,000) are noted in the insurance contracts and that standard letters of undertaking confirming this are executed by the insurers, always provided that the evidence thereof is in form and substance satisfactory to the Common Security Agent (acting on the instructions of all the Senior Secured Lenders). RigCo shall provide the Agent and the Common Security Agent with details of terms and conditions of the insurances and break down of insurers.

(g) Not later than seven (7) days prior to the expiry date of the relevant Insurances, RigCo shall procure the delivery to the Agent of a certificate from the insurance broker(s) or the insurers confirming that the Insurances referred to in paragraph (a) above have been renewed and taken out in respect of the Drilling Units with insured values as required by this clause 8.3, that such Insurances are in full force and effect and that the Common Security Agent (on behalf of the Senior Secured Finance Parties) have been noted as first priority mortgagee by the relevant insurers.

(h) Subject to paragraph (m) below, the Agent may effect upon the request of the Lenders:

(i) at the Lenders' expense (which shall include, for the avoidance of doubt, any fees and expenses of the Agent's insurance advisor) and for the exclusive benefit of the Lenders, mortgagees' interest insurance on such terms as the Agent may approve (acting on the instructions of the Majority Lenders) ("**Mortgagees' Interest Insurance**"); and

(ii) at the Borrower's expense and for the exclusive benefit of the Lenders and, if applicable, the Senior Lenders, when any Drilling Unit is or may be located in an Area (as defined herein), insurance policies such as mortgagees' additional perils and pollution insurance on such terms as the Agent may approve (acting on the instructions of the Majority Lenders) ("**Mortgagees' Perils and Pollution Insurance**"). The Drilling Unit Owners (or the Obligors' Agent on their behalf) shall notify the Agent in writing prior to a Drilling Unit entering an Area (as defined herein). For the purposes of this clause 8.3, the term "Area" means the territorial waters of the United States of America or the Exclusive Economic Zone (as defined in the US Oil Pollution Act, 1990) or the territorial waters of any other jurisdiction having (in the Lenders' reasonable opinion) similar or comparable pollution or environmental protection legislation specified from time to time by the Agent (acting on the instructions of the Majority Lenders) to the Borrower.

(i) If any of the Insurances referred to in paragraph (a) above form part of a fleet cover, the Drilling Unit Owners (or RigCo on their behalf) shall procure that the insurers shall undertake to the Common Security Agent that they shall neither set-off against any claims in respect of any of the Drilling Units any premiums due in respect of other drilling units under such fleet cover or any premiums due for other insurances, nor cancel this Insurance for reason of non-payment of premiums for other drilling units or vessels under such fleet cover or of premiums for such other insurances, and shall undertake to issue a separate policy in respect of each of the Drilling Units if and when so requested by the Common Security Agent.

(j) The Drilling Unit Owner shall procure that the Drilling Units always are employed in conformity with the terms of the instruments of Insurances (including any warranties expressed or implied therein) and comply with such requirements as to extra premium or otherwise as the insurers may prescribe.

(k) The Drilling Unit Owners (or RigCo on their behalf) will procure that no material changes are made to the Insurances described under paragraph (a), (c) and (e) above without the prior written consent of the Agent (acting on the instructions of all the Lenders), except, in the case of paragraph (c) above, a change that relates to the level of insurance that is in compliance with paragraph (c) above.

(l) Each of the Insurances (including any structure relating to any captive vehicle, if relevant) shall be reviewed (an "**Insurance Review**"), at the cost of the Obligors' Agent or the relevant Drilling Unit Owner (which shall include, for the avoidance of

doubt, any duly incurred fees and expenses of the Agent's insurance advisor), such review to be effected by the Agent's insurance advisor on an annual basis and on each date on which the Insurances are due for renewal, in each case if so requested by the Majority Lenders and subject to paragraph (m) below.

(m) For the purposes of paragraphs (h) and (l) above, the Agent:

(i) may appoint any reputable insurance advisors approved by the Majority Lenders and the Obligors' Agent (such approval not to be unreasonably withheld or delayed);

(ii) shall, in coordination with the insurance advisor, present an estimate of the scope of terms, upfront cost and ongoing payment terms (as applicable) of any Mortgagees' Interest Insurance, Mortgagees' Perils and Pollution Insurance or Insurance Review to be effected for review and acceptance by all requesting Lenders; and

(iii) shall have no obligation to effect any Mortgagees' Interest Insurance, Mortgagees' Perils and Pollution Insurance or Insurance Review for any Lender in the absence of such Lender's acceptance in accordance with paragraph (ii) above.

1.4 Alteration to the Drilling Units

Each Obligor shall ensure that no Drilling Unit is materially altered, except as necessary in the ordinary course of business or as otherwise reasonably necessary to secure a drilling contract or for the purposes of facilitating a disposal pursuant to clause 2.2 (*Sale or disposal*) of this Schedule provided that:

(a) the material alterations are made to enable the Drilling Unit to be employed on a specific contract or in order to improve the marketability of such Drilling Unit;

(b) the material alterations cannot reasonably be expected to adversely affect the Market Value of the Drilling Unit;

(c) the Drilling Unit will remain a drilling rig; and

(d) the Agent is given prior written notice of such material alterations involving expenditure by any member of the Group in excess of 25,000,000.

1.5 Conditions of the Drilling Units

Each Obligor shall ensure that the Drilling Units (other than any laid-up or stacked Drilling Unit) are maintained and preserved in good working order and repair and operated in accordance with good internationally recognized standards, and that the Drilling Units comply with the ISM Code and the ISPS Code (to the extent applicable, and if not applicable, to conduct its affairs in accordance with prudent industry practices) and all other marine safety and other regulations and requirements from time to time applicable to rigs registered in the relevant Ship Registry under the relevant flag and applicable to rigs trading in jurisdictions in which the Drilling Units are operating or laid-up or stacked from time to time, as the case may be.

1.6 Trading, Classification and repairs

(a) The Obligors shall keep or shall procure that:

(i) the Drilling Units are kept in a good, safe and efficient condition and state of repair consistent with prudent ownership and management practice;

(ii) that the Drilling Units, other than any laid-up or stacked Drilling Unit, maintain their class with DNV GL, Lloyd's Register, American Bureau of Shipping or another classification society approved by the Majority Lenders, free of any overdue recommendations and qualifications;

(iii) any laid-up or stacked Drilling Unit is:

(A) capable of maintaining its operational capabilities and being re-entered in a classification society upon removal from such lay-up or stacking; and

(B) otherwise laid-up or stacked in accordance with prudent industry standards;

(iv) they comply with:

(A) the laws, regulations (statutory or otherwise), constitutional documents and international conventions applicable to the classification society, the Ship Registry, the Obligors (ownership, operation, management and business) and to the Drilling Units in jurisdictions in which any of the Drilling Units or the Obligors are operating from time to time, to the extent that failure to do so has or is reasonably likely to have a Material Adverse Effect; and

(B) the sanctions regimes applicable to the classification society, the Ship Registry, the Obligors (ownership, operation, management and business) and to the Drilling Units in jurisdictions in which any of the Drilling Units or the Obligors are operating from time to time;

(v) with the exception of the Drilling Units named West Neptune, Sevan Louisiana and any ultra deepwater Drilling Unit, the Drilling Units do not enter the territorial waters (twelve (12) mile limit) of the United States of America unless (i) it is an emergency situation, (ii) if no Event of Default has occurred and is continuing, upon obtaining the prior written consent from the Agent, or (iii) if an Event of Default has occurred and is continuing, upon obtaining the prior written consent of the Lenders, in each case subject to clause 8.3(h) of this Schedule; and

(vi) they provide the Agent of evidence of such compliance upon request from the Agent.

(b) Notwithstanding anything to the contrary in this clause 8.6, no requirements as to classing, classification or maintenance of operational capabilities shall apply to the Recycling Units (other than to the extent necessary for the purposes of any sale of the relevant Recycling Unit).

1.7 Notification of certain events relating to a Drilling Unit

The Obligors shall immediately notify the Agent of:

(a) any accident to any of the Drilling Units involving repairs where the costs will or are likely to exceed USD 25,000,000 (or the equivalent amount in any other currency);

(b) any requirement or recommendation in relation to the Drilling Units made by any insurer or classification society or by any competent authority which would have an impact on the continued operations of the Drilling Units and is not, or cannot be, complied with within the time allotted for rectification by the insurer or classification society or competent authority;

(c) any exercise or purported exercise of any capture, seizure, arrest or lien on any of the assets secured by the Security Documents; and

(d) any occurrence as a result of which any of the Drilling Units has become or is, by the passing of time or otherwise, likely to become a Total Loss.

1.8 Operation of the Drilling Units

Each Obligor shall comply, and procure that any charter and manager complies, in all respects with all Environmental Laws and all other laws or regulations applicable to the Drilling Units, their ownership, operation and management or to the business of the Obligors in each case to

the extent that any failure to do so has or would reasonably be expected to have a Material Adverse Effect and shall not employ any of the Drilling Units nor allow their employment:

(a) in any manner contrary to law or regulation in any relevant jurisdiction, including but not limited to laws, regulations and executive orders relation to the U.S. economic embargoes of countries, entities or individuals as administrated by the Treasury Department, Office of Foreign Assets Control; and

(b) in the event of hostilities in any part of the world (whether war is declared or not), in any zone which is declared a war zone by any government or by the war risk insurers of any of the Drilling Units unless the relevant Drilling Unit Owner has (at its expense) effected any special, additional or modified insurance cover which shall be necessary or customary for good ship owners trading Drilling Units within the territorial waters of such country at such time and has provided evidence of such cover to the Agent.

1.9 ISM Code, ISPS Code etc.

The Borrower shall procure that the Drilling Unit Owners and any charter and/or manager complies with the ISM Code, ISPS Code, Marpol and any other international maritime safety regulation relevant to the operation and maintenance of the Drilling Units to the extent that failure to do so has or is reasonably likely to have a Material Adverse Effect and provides copies of certificates evidencing such compliance to the Agent upon written request thereof.

1.10 Inspections and class records

(a) The Obligors shall permit, and shall procure that any charterers and/or managers permit, one person appointed by the Agent to inspect, upon the Agent giving prior written notice, each of the Drilling Units once a year, as long as such inspection does not interfere with the operation of the Drilling Units. The costs of such inspection shall be for the account of the Lenders unless an Event of Default has occurred and is continuing, in which case it shall be for the account of the Borrower.

(b) The Drilling Unit Owners shall instruct the classification society to send to the Agent, following a written request from the Agent, copies of all class records held by the classification society in relation to the Drilling Units.

1.11 Surveys

The Borrower shall submit to or cause the Drilling Units to be submitted to such periodic or other surveys as may be required for classification purposes and to ensure full compliance with regulations of the Ship Registry of the Drilling Units and if consented to by the Agent pursuant to clause 8.14 (*Ship Registry, name and flag*) of this Schedule such parallel Ship Registry of the Drilling Unit.

1.12 Arrest

The Obligors shall promptly pay and discharge:

(a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against any of the Security Interests each Security Document creates or purports to create;

(b) all tolls, taxes, dues, fines, penalties and other amounts charged in respect of any of the Security Interests each Security Document creates or purports to create; and

(c) all other outgoings whatsoever in respect of any of the Security Interests each Security Document creates or purports to create,

and forthwith upon receiving a notice of arrest of any of the Drilling Units, or their detention in exercise or purported exercise of any lien or claim, the Borrower shall procure its release by providing bail or providing the provision of security or otherwise as the circumstances may require.

1.13 Total Loss

In the event that any of the Drilling Units shall suffer a Total Loss, the Obligors shall as soon as possible and in any event within ninety (90) days after the Total Loss Date, obtain and present to the Agent a written confirmation from the relevant insurers that the claim relating to the Total Loss has been accepted in full, and the insurance proceeds shall be paid to the Agent for application in accordance with clause 2.1 (*Total Loss*) of this Schedule.

1.14 Ship Registry, name and flag

The Borrower shall:

(a) subject to any disposal made in accordance with the terms of the Finance Documents, procure that each of the Drilling Units is registered in the name of the respective Drilling Unit Owner as described in Schedule 15 (*The Drilling Units*) (as updated in accordance with clause 5.11(a) of this Schedule) in the relevant Ship Registry; and

(b) not change Ship Registry, name or flag of any of the Drilling Units or parallel register a Drilling Unit in any Ship Registry without the prior written consent of the Agent (such consent not to be unreasonably withheld or delayed). If such change would be to a Ship Registry, flag, or parallel register other than any Acceptable Ship Registry, then such change is subject to the prior written consent of the Agent (acting on the instructions of the Majority Lenders).

1.15 Management

Seadrill Management or a company being a wholly-owned (directly or indirectly) Subsidiary of RigCo (excluding, for the avoidance of doubt, any Non-Recourse Subsidiary) shall continue to perform management services in respect of the Drilling Units and neither a material change nor any other adverse change (having an adverse effect on the Finance Parties' rights and/or obligations under the Finance Documents) to such existing management shall be made without the prior written consent of the Agent (not to be unreasonably withheld or delayed) (provided that, notwithstanding this clause 8.15, the Drilling Units named West Tucana, West Castor and West Telesto may, for such time as they are chartered by their respective Drilling Unit Owners to the Qatar Joint Venture, be managed by GDI or a Subsidiary of GDI).

1.16 Capital equipment and spare parts arrangements

No other member of the Group nor any of their Affiliates, other than Seadrill Global Services, Seadrill Americas, Inc. or a company being a wholly-owned (directly or indirectly) Subsidiary of RigCo (excluding, for the avoidance of doubt, any Non-Recourse Subsidiary), shall operate any capital equipment and/or spare parts arrangements in which any of the Drilling Units participate.

1.17 Responsible Ship Recycling

(a) The Obligors shall ensure that each Drilling Unit which is to be recycled, or which is sold to an intermediary with the intention of being recycled, is recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner in accordance with:

(i) the Hong Kong Convention; and/or

(ii) the Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No. 1013/2006 and Directive 2009/16/EC.

(b) If a Drilling Unit is to be recycled in accordance with the Hong Kong Convention, the Obligors shall ensure that the Lenders receive a copy of a statement of compliance with the Hong Kong Convention addressed to the relevant Drilling Unit Owner from Grieg Green or Sea2Cradle (or their successors) or another independent third party acceptable to the Majority Lenders (acting reasonably), prior to the completion of such recycling.

(c) Each Drilling Unit Owner shall ensure that an Inventory of Hazardous Materials is available in respect of each Drilling Unit it owns which is being recycled.

9. Events of Default

Each of the events or circumstances set out in this clause 9 is an Event of Default.

1.1 Non-payment

Any of the Obligors does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by administrative or technical error affecting the transfer of funds despite timely payment instructions by the Obligor; and

(b) payment is made within three (3) Business Days of its due date.

1.2 Financial Covenants and Insurance

Any requirement in clause 6 (*Financial Covenants*) of this Schedule and/or clause 8.3 (*Insurance*) of this Schedule is not satisfied.

1.3 Other obligations

(a) Any of the Obligors or any Security Provider does not comply with any provision of the Finance Documents (other than those referred to in clause 9.1 (*Non-payment*) and clause 9.2 (*Financial Covenants and Insurance*) of this Schedule).

(b) No Event of Default under (a) above will occur if the failure to comply is capable of remedy and is remedied within thirty (30) calendar days of the earlier of the Agent giving notice to the Obligors' Agent or the relevant Obligor or Security Provider becoming aware of the failure to comply.

1.4 Misrepresentations

Any representation, warranty or statement made or deemed to be made by any of the Obligors in the Finance Documents or any other document delivered by or on behalf of the Obligors under or in connection with any of the Finance Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, provided that no Event of Default will occur under this clause 9.4 if the event or circumstance giving rise to the representation, warranty or statement being incorrect or misleading is capable of remedy and is remedied within thirty (30) calendar days of the earlier of the Agent giving notice to the Obligors' Agent or any Obligor becoming aware of the failure to comply.

1.5 Cross default

(a) Any Financial Indebtedness of any Obligor, Security Provider or any other member of the Group (including, for the avoidance of doubt, Financial Indebtedness under the Senior Facility Agreement or the Hemen Convertible Bonds) is not paid when due nor within any originally applicable grace period;

(b) any Financial Indebtedness of any Obligor, Security Provider or any other member of the Group (including, for the avoidance of doubt, Financial Indebtedness under the Senior Facility Agreement or the Hemen Convertible Bonds) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);

(c) any commitment for any Financial Indebtedness of any Obligor, Security Provider or any other member of the Group (including, for the avoidance of doubt, Financial Indebtedness under the Senior Facility Agreement or the Hemen Convertible Bonds) is cancelled or suspended by a creditor of any Obligor, Security Provider or other member of the Group as a result of an event of default (however described); or

(d) any creditor of any Obligor, Security Provider or any other member of the Group is entitled to declare any Financial Indebtedness of any Obligor, Security Provider or

any other member of the Group (including, for the avoidance of doubt, Financial Indebtedness under the Senior Facility Agreement or the Hemen Convertible Bonds) due and payable prior to its specified maturity as a result of an event of default (however described),

in circumstances where the aggregate amount of all such Financial Indebtedness referred to in all or any of paragraphs (a) to (d) above is USD 15,000,000 (or its equivalent in other currencies) or more.

1.6 Insolvency

(a) Any Obligor or Security Provider is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with (i) one or more of its financial creditors, and/or (ii) creditors generally.

(b) The value of the assets of the Group (taken as a whole) are less than the liabilities of the Group (taken as a whole and taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any Obligor or Security Provider.

1.7 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor or Security Provider;

(b) an order of a competent court or an event analogous thereto, including without limitations a court order of commencement of rehabilitation proceedings (including under the US Bankruptcy Code and similar provisions), is made or any effective resolution passed with a view to the bankruptcy, commencement of composition proceedings, debt negotiations, liquidation, winding-up, rehabilitation or similar event of any Obligor or Security Provider;

(c) a composition, compromise, assignment or arrangement with any creditor of any Obligor or Security Provider;

(d) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any Obligor or Security Provider; or

(e) enforcement of any Security Interest over any assets of any Obligor or Security Provider,

but excluding:

(i) any Permitted Group Restructuring; and

(ii) any proceedings which are frivolous or vexatious or which are being contested in good faith by such Obligor or Security Provider by appropriate means and which are discharged, stayed or dismissed within thirty (30) days of commencement (or such other period as agreed between the Borrower and the Majority Lenders, acting reasonably).

1.8 Creditor's process

Any maritime lien or other lien (not being a Drilling Unit Permitted Encumbrance), expropriation, injunction restraint, arrest attachment, sequestration, distress or execution affects any asset secured by the Security Documents or undertakings, property, assets, rights or revenues (not secured by the Security Documents) of any Obligor or Security Provider and is not discharged within thirty (30) days after any Obligor or Security Provider (as the case may be) becoming aware of the same unless the Finance Parties have been provided with

additional security in such form and substance and for such amounts as the Finance Parties may require.

1.9 Unlawfulness and invalidity

It is or becomes unlawful or impossible for any Obligor and/or any of the other parties to any of the Security Documents to perform any of their respective obligations under the Finance Documents or for the Agent to exercise any right or power vested to it under the Finance Documents.

1.10 Cessation of business

Any Obligor (whether by one or a series of transactions) suspends, changes or ceases to carry on (or threatens to suspend, change or cease to carry on) all or a material part of its business (other than as a result of a disposal or other steps permitted by this Agreement).

1.11 Material adverse change

Any event or condition or circumstance or series of events or conditions or circumstances occur which has or is reasonably likely to have a Material Adverse Effect.

1.12 Authorisation and consents

Any authorisation, licence, consent, permission or approval required in connection with the entering into, validity, enforcement, completion or performance of any of the Finance Documents or any transactions contemplated thereby is revoked, terminated or modified or otherwise cease to be in full force and effect.

1.13 Loss of Property

Any substantial part of an Obligor's business or assets is destroyed, abandoned, seized, appropriated or forfeited or the authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Obligor or any of its assets which, in each case has, or is reasonably likely to have, a Material Adverse Effect.

1.14 Litigation

There is current, pending or threatened any claims, litigation, arbitration or administrative proceedings against any Obligor which, in each case, has, or is reasonably likely to have, a Material Adverse Effect.

1.15 Failure to comply with final judgment

Any of the Obligors fails within five (5) Business Days after becoming obliged to do so to comply with or pay any sum in an amount exceeding USD 15,000,000 (or the equivalent in any other currencies) due from it under any final judgement or any final order (being one against which there is no right of appeal or if a right of appeal exists the time limit for making such appeal has expired and no appeal has been dismissed) made or given by any court of competent jurisdiction, provided, however, that such event shall not be deemed to constitute an Event of Default if the Obligor is entitled to insurance cover for the whole of such sum and the relevant insurers have confirmed liability and undertaken to make payment of the whole of such sum in writing to the person(s) entitled to payment and it is likely that the insurers will be able to make such payment within sixty (60) days.

1.16 Audit qualification

The Auditors of the Group qualify the audited annual consolidated financial statements of the Group and/or the RigCo Group provided that it is acknowledged for the avoidance of any doubt that a statement of material uncertainty or similar statement or opinion is not a qualification.

10. Changes to the Obligors

1.1 No assignment by the Obligors or the Security Providers

None of the Obligors or the Security Providers may assign or transfer or cause or permit to be assumed any part of, or any interest in, its rights and/or obligations under the Finance Documents.

1.2 Changes to the Borrower

(a) The Obligors' Agent may request in writing to the Agent that a Replacement Borrower replaces the Original Borrower as Borrower under this Agreement.

(b) A Replacement Borrower may only replace the Original Borrower as Borrower if:

(i) the relevant Replacement Borrower is (or becomes) a Guarantor prior to becoming a Borrower;

(ii) the Obligors' Agent, the Original Borrower and the relevant Replacement Borrower delivers to the Agent a duly completed and executed Borrower Replacement Letter as set out in Schedule 17 (*Form of Borrower Replacement Letter*);

(iii) the relevant Replacement Borrower is (or will concurrently become) Borrower under and as defined in the Senior Facility Agreement;

(iv) the Obligors' Agent confirms that no Default under this Agreement is continuing or is likely to occur as a result of the relevant Replacement Borrower replacing the Original Borrower as Borrower;

(v) the Original Borrower's obligations in its capacity as Guarantor and any Security Interest granted by the Original Borrower pursuant to the Security Documents continue to be legal, valid, binding and enforceable and in full force and effect (and the Obligors' Agent has confirmed this is the case);

(vi) the change of Borrower does not impair the existing Security Interests granted in favour of the Lenders or otherwise prejudice the Lenders' potential options in respect of any enforcement sale of the Parent or any of its Subsidiaries as a going concern; and

(vii) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent and the Common Security Agent.

(c) The Agent shall notify the Obligors' Agent and the Lenders and countersign the Borrower Replacement Letter in each case promptly upon being satisfied that it has received (in form and substance satisfactory to it and the Common Security Agent) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent and the Common Security Agent.

(d) The Finance Parties hereby authorise (but do not require) the Agent to give such notification and countersign the Borrower Replacement Letter on their behalf pursuant to paragraph (c) above. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification or executing the Borrower Replacement Letter.

(e) Delivery of a Borrower Replacement Letter constitutes confirmation by the relevant acceding Replacement Borrower that the representations set out in clause 4 (*Representations and Warranties*) of this Schedule are true and correct (in relation to it only and not any other Obligor or other person) as at the date of delivery of such Borrower Replacement Letter as if made by reference to the facts and circumstances then existing.

1.3 Changes to the Guarantors

(a) The Obligors' Agent may request in writing to the Agent that any member of the RigCo Group becomes an Additional Guarantor.

(b) The Obligors' Agent may request that a member of the RigCo Group becomes a Drilling Unit Owner or an Intra-Group Charterer in place of the existing entity which is, or was previously, the relevant Drilling Unit Owner or Intra-Group Charterer where such transfer is necessary in order to enable a Drilling Unit to be employed or deployed under a drilling contract or in a specific jurisdiction or in connection with a Permitted Group Restructuring, provided that prior to becoming a Drilling Unit Owner or Intra-Group Charterer such RigCo Group member shall have acceded to this Agreement as an Additional Guarantor in accordance with the terms of this Agreement.

(c) A member of the RigCo Group may only become an Additional Guarantor if:

(i) the Obligors' Agent and the relevant entity to become an Additional Guarantor deliver to the Agent a duly completed and executed Accession Deed;

(ii) the Obligors' Agent confirms that no Default is continuing or is likely to occur as a result of that relevant entity becoming an Additional Guarantor; and

(iii) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*), each in form and substance satisfactory to the Agent and the Common Security Agent.

(d) The Agent shall notify the Obligors' Agent and the Lenders and countersign the Accession Deed promptly upon being satisfied that it has received (in form and substance satisfactory to it and the Common Security Agent) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).

(e) The Lenders and other Finance Parties hereby authorise (but do not require) the Agent to give such notification and countersign the Accession Deed on their behalf pursuant to paragraph (d). The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification or executing the Accession Deed.

(f) Delivery of an Accession Deed constitutes confirmation by the relevant acceding Additional Guarantor that the representations set out in clause 4 (*Representations and Warranties*) of this Schedule are true and correct (in relation to it only and not any other Obligor or other person) as at the date of delivery as if made by reference to the facts and circumstances then existing.

(g) Any entity acting as intra-group charterer in respect of a Drilling Unit shall become an Additional Guarantor in accordance with the terms of this clause 10.3.

1.4 Release of Guarantors and Security Documents

(a) Subject to paragraph (b) below, the Obligors' Agent may request in writing that a Guarantor (other than the Parent, RigCo or Cash Pool Co) ceases to be a Guarantor by delivering to the Agent and the Common Security Agent a Resignation Letter:

(i) if a Guarantor has been or is to be disposed of in full; or

(ii) if a Guarantor previously being a Drilling Unit Owner or Intra-Group Charterer has been replaced by an Additional Guarantor being the new Drilling Unit Owner or Intra-Group Charterer (as the case may be) of the relevant Drilling Unit, or the relevant Intra-Group Charterparty under which that Guarantor was an Intra-Group Charterer has terminated and that Guarantor is not an Intra-Group Charterer under any other Intra-Group Charterparty,

in each case in accordance with the terms of this Agreement and provided that the Obligors' Agent has provided the Agent with details of such change to the Drilling Unit Owner or Intra-Group Charterer (as the case may be).

(b) Any Security Document and any Security Interest granted thereunder by or in respect of the relevant Guarantor who is to be released shall be released and any Guarantee provided by such Guarantor shall be released by the Common Security Agent (in the case of release of a Guarantor, by the Agent and the Common Security Agent countersigning the Resignation Letter) at the cost and request of the Obligors' Agent, if:

(i) the Obligors' Agent and the relevant Guarantor have delivered a Resignation Letter for the relevant Guarantor to the Agent and the Common Security Agent;

(ii) the Obligors' Agent has confirmed that no Default is continuing or is likely to result upon resignation;

(iii) no payment is due or will, as a result of such release, become due from the Guarantor under Clause 21 (*Guarantee and Indemnity*);

(iv) the relevant Security Document does not create a Security Interest over an asset relating to the ownership or operation of any Drilling Unit which has not or will not be disposed of (including indirectly through the disposal of the relevant Drilling Unit Owner) in accordance with the terms of this Agreement unless a new Security Document or Security Interest is being entered into concurrently in relation to the same;

(v) in case of a disposal, that the disposal proceeds have been received by the Agent or the Common Security Agent (as applicable) for application in accordance with this Agreement;

(vi) other than in the case of a disposal in accordance with the terms of this Agreement, the Agent being satisfied (acting reasonably) that the relevant Guarantor to be released or any asset which is the subject of the relevant Security Document granted over or by such Guarantor is not of material value, and in doing so will have regard to the value and assets of any Additional Guarantor that has replaced such Guarantor as the Drilling Unit Owner or Intra-Group Charterer; and

(vii) in the case of paragraph (a)(ii) above, the new Drilling Unit Owner or new Intra-Group Charterer has acceded to this Agreement as an Additional Guarantor in accordance with the terms of clause 10.3 (*Changes to the Guarantors*) of this Schedule.

(c) Any Security Interest granted pursuant to the Security Documents in respect of any asset of a member of the Group which is permitted to be disposed of or transferred to a third party in accordance with the terms of this Agreement shall be released by the Common Security Agent at the cost and request of the Obligors' Agent, provided that the disposal proceeds have been received by the Agent or the Common Security Agent (as applicable) for application in accordance with this Agreement (if applicable).

(d) Each Lender and each other Finance Party authorises the Agent and the Common Security Agent to release a Guarantor and/or any Security Interest granted pursuant to a Security Document and such Security Documents in accordance with the terms of this clause 10.4.

11. Miscellaneous

1.1 Common Terms

1.1.1 General

(a) The Common Terms shall apply to the Secured Bank Facilities Agreements and be interpreted in accordance with Norwegian law.

(b) Each of the Senior Secured Finance Parties agrees that (i) no Senior Secured Finance Party shall, in respect of the Senior Secured Finance Documents, enjoy the benefit of any additional or more restrictive (A) mandatory prepayment events (other than in respect of the Senior Facility Agreement, the Cash Sweep and the mandatory prepayment event pursuant to clause 8.7 (*Recycling Units*) of the Senior Facility Agreement), representations and warranties, information undertakings, financial covenants, general undertakings, drilling unit undertakings or events of default other than those set out in the Common Terms or, (B) guarantees or security other than those contemplated by the guarantee and security construct set out in the Common Terms, and (ii) no Secured Bank Facilities Agreement shall otherwise contain any additional regulation of the matters covered by the Common Terms.

1.1.2 Amendments, consents and waivers of Common Terms

(a) Unless otherwise stated in the Common Terms, any term of the Common Terms may only be amended, consented to or waived with the written consent of each of the Majority Senior Lenders and the Majority Lenders and any such amendment will be binding on all Senior Secured Finance Parties.

(b) If any Senior Secured Lender fails to respond to a request for a consent in relation to clause 2.2 (*Sale or disposal*) of this Schedule within ten (10) Business Days (unless the Borrower and the relevant agent agree to a longer time period in relation to any request) of that request being made, its Commitment (as defined in each Secured Bank Facilities Agreement) and/or participation shall not be included for the purpose of calculating the Total Commitments (as defined in each Secured Bank Facilities Agreement) or participations under the relevant Secured Bank Facilities when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments (as defined in each Secured Bank Facilities Agreement) and/or participations has been obtained to approve that request.

Schedule 15

Drilling Units

Note: the following table includes only Public Lender Information and therefore may not contain all specified information.

Drilling Unit **Name, type and IMO number**	**Drilling Unit Owner, Intra-Group Charterer (if applicable)**	**Charter Contracts** **(Existing and next contract)** **Structure, contract date, duration, day rate in USD and options**	**End-user**	**Built and Ship Registry**
West Gemini, Drillship, 9459931	Seadrill Gemini Ltd.	Existing contract Commencement: 16 July 2019 Expiration: est. end of May 2022; if options are exercised, end of November 2022 Next contract N/A		Built 2010 Panama
West Telesto, Jack-up, 9648233	Seadrill Telesto Ltd. Gulfdrill LLC (Joint Venture between Seadrill and GDI)	Existing contract Bareboat charter to GulfDrill pursuant to Qatar Joint Venture Commencement: 15 March 2020 Expiration: May 2025; if options are exercised, end of September 2026 Next contract N/A	Qatar Petroleum	Built 2013 Panama

AOD I, Jack-up, 8771253	Asia Offshore Rig 1 Limited Seadrill GCC Operations Ltd.	Existing contract Commencement: 25 October 2012 Expiration: 30 June 2022 Day rate: USD 75,000 Next contract N/A	Saudi Aramco	Built 2013 Panama
AOD II, Jack-up, 8771265	Asia Offshore Rig 2 Limited Seadrill GCC Operations Ltd.	Existing contract Commencement: 11 March 2013 Expiration: 30 May 2024 Day rate: USD 89,900 Next contract N/A	Saudi Aramco	Built 2013 Panama
AOD III, Jack-up, 9633707	Asia Offshore Rig 3 Limited Seadrill GCC Operations Ltd.	Existing contract Commencement: 11 March 2013 Expiration: 30 December 2022 Day rate: USD 92,900 Next contract N/A	Saudi Aramco	Built 2013 Panama
West Callisto, Jack-up, 9522348	Seadrill Callisto Ltd. Seadrill GCC Operations Ltd.	Existing contract Commencement: 4 March 2012 Expiration: 30 November 2022 Day rate: USD 79,500 Next contract N/A	Saudi Aramco	Built 2010 Panama

West Leda, Jack-up, 8770637	Seadrill Indonesia Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2010 Panama
West Cressida, Jack-up, 8769224	Seadrill Cressida Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2008 Panama
West Eclipse, Semi-submersible, 9604213	Seadrill Eclipse Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2013 Panama
West Carina, Drillship, 9674127	Seadrill Carina Ltd. Contracting Entity (Services Contract): Seadrill Serviços de Petróleo Ltda Contracting Entity (Charter Contract): Seadrill Management (S) Pte, Ltd.	Existing contract N/A Next contract Commencement: September 2022 Expiration: September 2025 Day rate: USD 245,000	Petrobras, Brazil	Built 2015 Panama
West Tucana, Jack-up, 8771370	Seadrill Tucana Ltd. Gulfdrill LLC (Joint Venture between Seadrill and GDI)	Existing contract Bareboat charter to GulfDrill pursuant to Qatar Joint Venture Commencement: November 2020 Expiration: May 2024; if options are exercised, September 2025 Next contract N/A	Qatar Petroleum	Built 2013 Panama

West Castor, Jack-up, 8771382	Seadrill Castor Pte. Ltd. Gulfdrill LLC (Joint Venture between Seadrill and GDI)	Existing contract Bareboat charter to GulfDrill pursuant to Qatar Joint Venture Commencement: December 2019 Expiration: August 2023, with option until end of June 2025 Next contract N/A	Qatar Petroleum	Built 2013 Singapore
West Tellus, Drillship, 9623934	Seadrill Tellus Ltd. Contracting Entity (Services Contract): Seadrill Serviços de Petróleo Ltda Contracting Entity (Charter Contract): Seadrill Management (S) Pte, Ltd.	Existing contract Commencement: 5 October 2021 Expiration: July 2022 Next contract Commencement: September 2022 Expiration: September 2025 Day rate: USD 230,000	Existing contract Shell, Brazil Next contract Petrobras, Brazil	Built 2013 Panama
West Saturn, Drillship, 9657428	Seadrill Saturn Ltd. Contracting Entity (Services Contract): Seadrill Serviços de Petróleo Ltda Contracting Entity (Charter Contract): Seadrill Offshore AS, assigned to Seadrill Management (S) Pte, Ltd. In May 2021	Existing contract Commencement: 19 January 2021 Expiration: March 2022 Day Rate: USD 200,000 for the first 60 days; USD 225,000 for remaining duration of well Next contract Commencement: July 2022 Expiration: July 2026, with four one year options until July 2030	Existing contract Exxon, Brazil Next contract Equinor, Brazil	Built 2014 Panama

West Jupiter, Drillship, 9655030	Seadrill Jupiter Ltd. Contracting Entity (Services Contract): Seadrill Serviços de Petróleo Ltda Contracting Entity (Charter Contract): Seadrill Management (S) Pte, Ltd.	Existing contract Commencement: December 2022 Expiration: October 2025 Next contract N/A	Existing contract Petrobras, Brazil Next contract N/A	Built 2014 Panama
West Neptune, Drillship, 9655028	Seadrill Neptune Hungary Kft. Contracting Entity: Seadrill Gulf Operations Neptune, LLC	Existing contract Commencement: 18 September 2021 Expiration: January 2023; if option 3 is exercised, March 2023 Next contract N/A	Existing contract LLOG, US Gulf of Mexico Next contract N/A	Built 2014 Panama
West Phoenix, Semi-submersible, 8768294	North Atlantic Phoenix Ltd. Seadrill Norway Operations Ltd.	Existing contract Commencement: 25 August 2021 Expiration: end of October 2023; option to end of February 2024 Day rate: USD 359,000 during initial term; USD 359,000 following option (split rate payment in multiple currencies) Next contract N/A	Var Energi, Norway	Built 2008 Panama
West Elara, Jack-up, 8769949	North Atlantic Elara Ltd. Seadrill Norway Operations Ltd.	Existing contract Commencement: 8 May 2018 Expiration: end of March 2028 Next contract N/A	ConocoPhillips, Norway	Built 2011 Norway

Sevan Louisiana, Semi-submersible, 9679440	Sevan Louisiana Hungary Kft. Contracting Entity: Sevan Drilling North America, LLC	Existing contract Commencement: 1 August 2021 Expiration: February 2022; if option sidetrack 2 is exercised end of March 2022 Day rate: USD 180,000 during initial term; USD 180,000 for option sidetrack 1; USD 210,000 for option sidetrack 2 Next contract Commencement: March 2022 Expiration: July 2022	Existing contract Walter Oil & Gas, US Gulf of Mexico Next contract Eni, US Gulf of Mexico	Built 2013 Panama
West Prospero, Jack-up, 8768268	Seadrill Prospero Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2007 Panama
West Ariel, Jack-up, 8769212	Seadrill Ariel Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2008 Bahamas

Schedule 16

The Recycling Units

Drilling Unit **Name, type and IMO number**	**Drilling Unit Owner, Intra-Group Charterer**	**Charterer and Charter Contract (day rate and tenor)**	**Ship Registry**
Sevan Driller Drillship 8769846	Drilling Unit Owner: Sevan Driller Ltd. Intra-Group Charterer: N/A	Charterer: N/A	Panama
Sevan Brasil Drillship 8740125	Drilling Unit Owner: Sevan Brasil Ltd. Intra-Group Charterer: N/A	Charterer: N/A	Panama

Schedule 17

Form of Borrower Replacement Letter

To: [ ] as Agent and [ ] as Common Security Agent for itself and each of the other parties to the Intercreditor Agreement referred to below

From: [*Replacement Borrower*], [*Original Borrower*] and [*Obligors' Agent*]

Dated:

Dear Sirs

Seadrill Rig Holding Company Limited – USD 300,000,000 Super Senior Facilities Agreement dated [ ] (the "Facilities Agreement")

1. We refer to the Facilities Agreement and to the Intercreditor Agreement. This deed (the "**Borrower Replacement Letter**") shall take effect as a Borrower Replacement Letter for the purposes of the Facilities Agreement and as a Debtor Accession Deed for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in paragraphs 1-3 of this Borrower Replacement Letter unless given a different meaning in this Borrower Replacement Letter.

2. Pursuant to Clause 31 (*Changes to the Obligors*) of the Facilities Agreement, we request that:

   (a) [*Original Borrower*] be released from its obligations as Borrower under the Facilities Agreement and the Finance Documents; and

   (b) [*Replacement Borrower*] become the Borrower under the Facilities Agreement and the Finance Documents.

3. We confirm that:

   (a) [*Replacement Borrower*] is (or will become) a Guarantor prior to becoming the Borrower;

   (b) [*Replacement Borrower*] is (or will concurrently become) Borrower under and as defined in Senior Facility Agreement;

   (c) no Default is continuing or is likely to occur as a result of [*Replacement Borrower*] replacing [*Original Borrower*] as Borrower; and

   (d) [*Original Borrower*]'s obligations in its capacity as Guarantor and any Security granted by [*Original Borrower*] to the Security Documents continue to be legal, valid, binding and enforceable and in full force and effect.

4. [*Replacement Borrower*] agrees to become a Replacement Borrower and Additional Guarantor and to be bound by the terms of the Facilities Agreement and the other Finance Documents (other than the Intercreditor Agreement) as a Replacement Borrower and Additional Guarantor pursuant to Clause 31 (*Changes to the Obligors*) of the Facilities Agreement. [*Replacement Borrower*] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a limited liability company with registered number [ ]. We confirm that no Default is continuing or is likely to occur as a result of [*Replacement Borrower*] becoming a Replacement Borrower and Additional Guarantor.

5. [*Replacement Borrower's*] administrative details for the purposes of the Facilities Agreement and the Intercreditor Agreement are as follows:

   Address:

   E-mail Address.:

   Attention:

6. [*Replacement Borrower*] (for the purposes of this paragraph 6, the "**Acceding Debtor**") intends to incur Liabilities and give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents:

[*Insert details (date, parties and description) of relevant documents*]

the "**Relevant Documents**".

It is agreed as follows:

(a) Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Borrower Replacement Letter, bear the same meaning when used in this paragraph 6.

(b) The Acceding Debtor and the Common Security Agent agree that the Common Security Agent shall hold:

(i) [any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;

(ii) all proceeds of that Security; and][7]

(iii) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Common Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Common Security Agent as trustee for the Secured Parties,

on trust for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

(c) The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

(d) In consideration of the Acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

7. This Borrower Replacement Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Borrower Replacement Letter has been signed on behalf of the Common Security Agent (for the purposes of paragraph 6 above only), signed on behalf of the Obligors' Agent and executed as a deed by [*Replacement Borrower*] and is delivered on the date stated above.

[7] Include to the extent that the Security created in the Relevant Documents is expressed to be granted to the Common Security Agent as trustee for the Secured Parties.

[Replacement Borrower]

[Executed as a Deed
By: [*Replacement Borrower*]

Director

Director/Secretary]

or

[Executed as a Deed
By: [*Replacement Borrower*]

Signature of Director

Name of Director

in the presence of

Witness Name:
Witness Address:
Witness Occupation:]

The Obligors' Agent

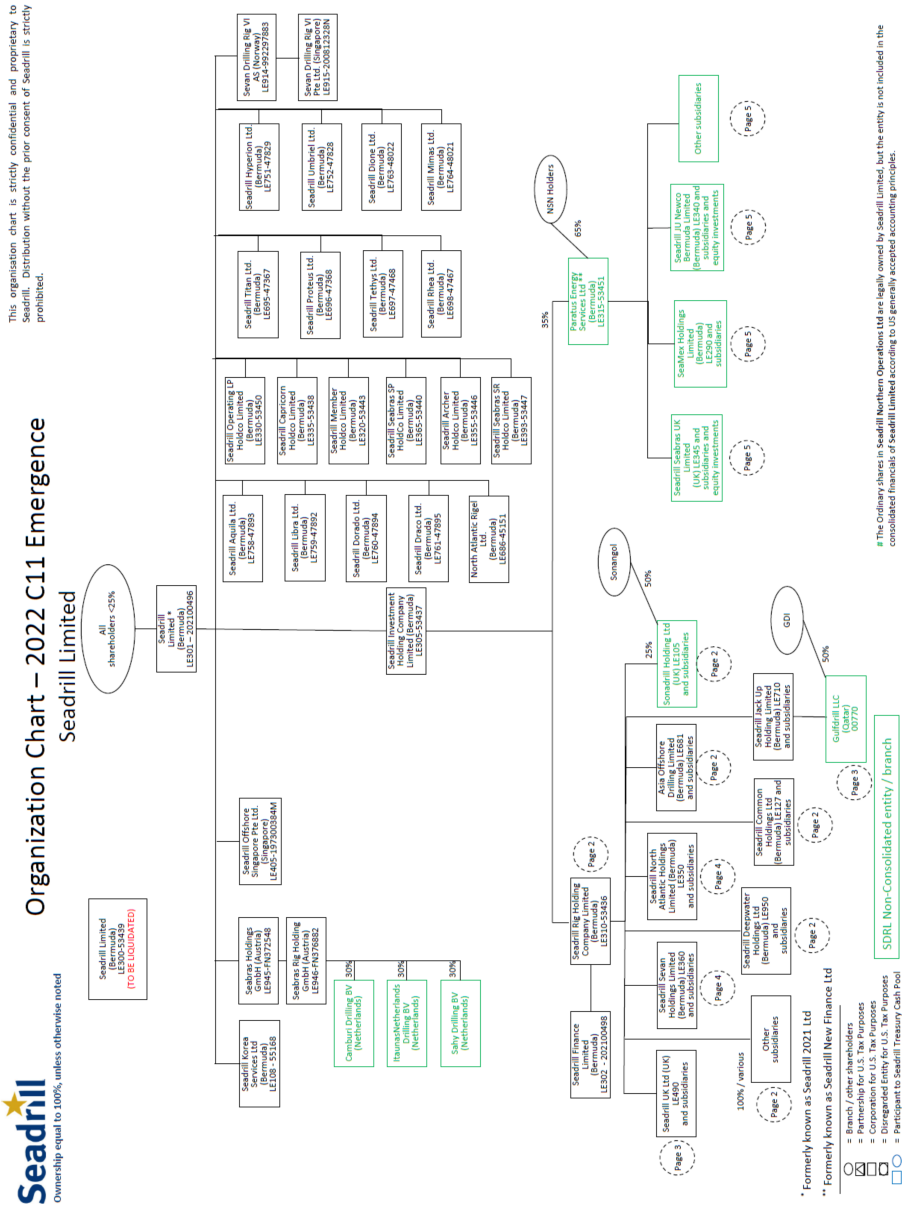
By:

The Common Security Agent
[*Full Name of Current Common Security Agent*]

By:
Date:

Schedule 18

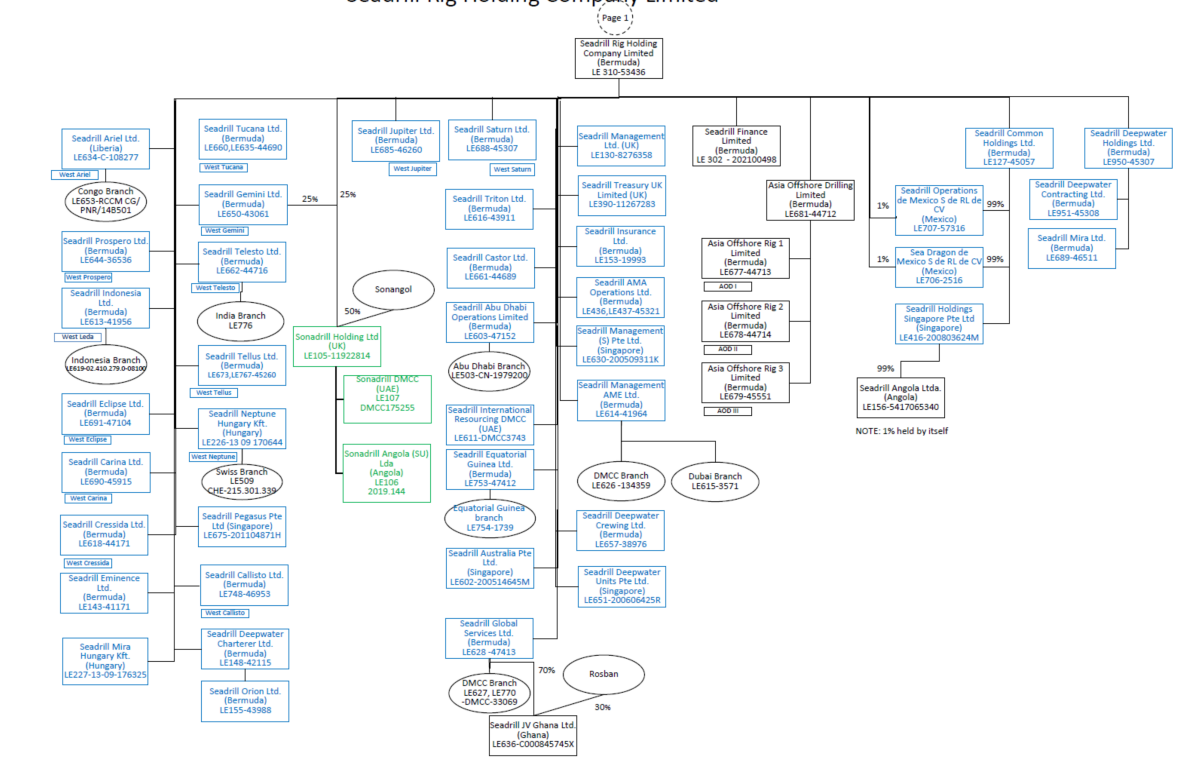
Corporate Structure



Seadrill
Ownership equal to 100%, unless otherwise noted

Organization Chart – 2022 C11 Emergence

Seadrill Rig Holding Company Limited

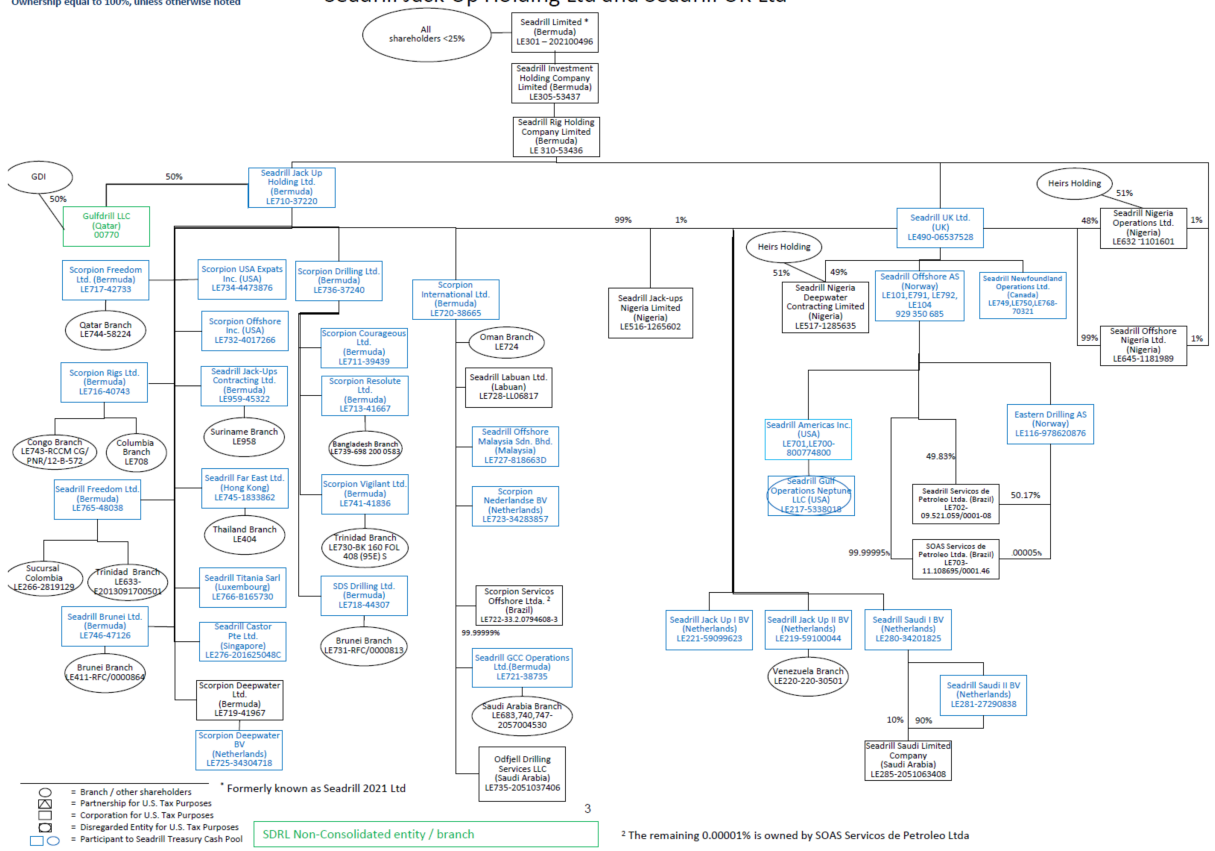


Seadrill

Ownership equal to 100%, unless otherwise noted

Organization Chart– 2022 C11 Emergence

Seadrill Jack Up Holding Ltd and Seadrill UK Ltd

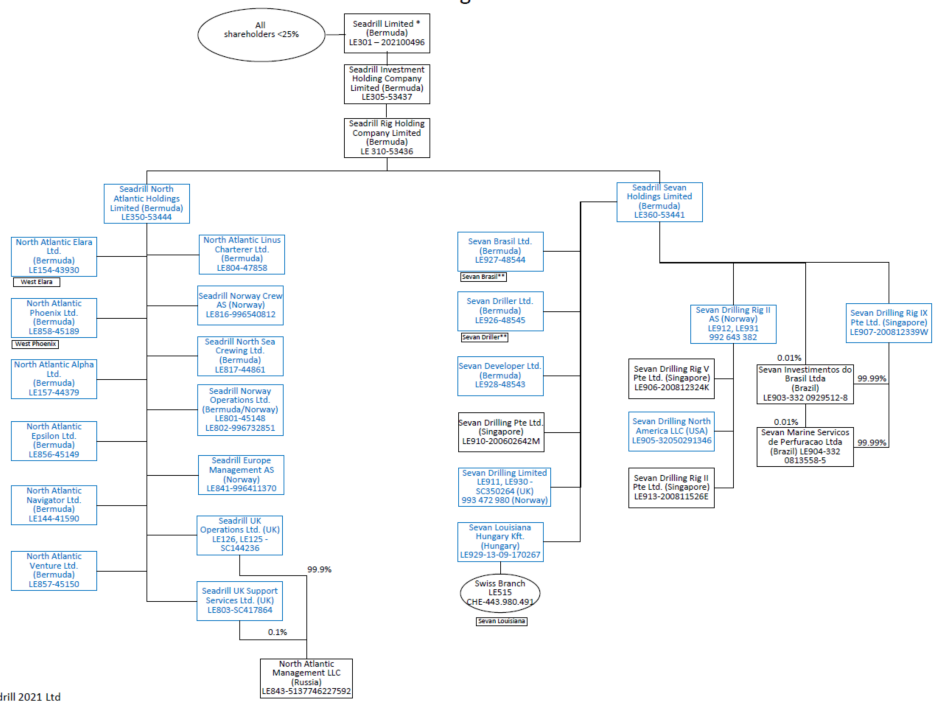


3

Seadrill
Ownership equal to 100%, unless otherwise noted

Organization Chart – 2022 C11 Emergence

Seadrill North Atlantic Holdings Limited and Seadrill Sevan Holdings Limited



* Formerly known as Seadrill 2021 Ltd
** In process of being sold

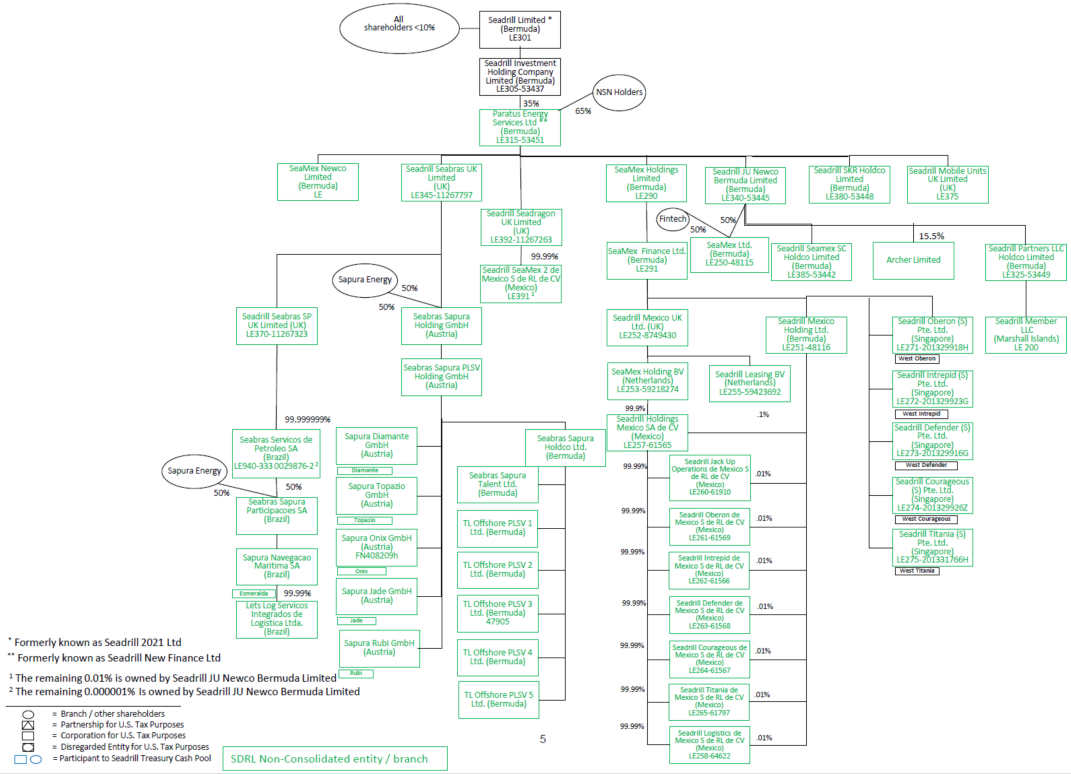
= Branch / other shareholders
= Partnership for U.S. Tax Purposes
= Corporation for U.S. Tax Purposes
= Disregarded Entity for U.S. Tax Purposes
= Participant to Seadrill Treasury Cash Pool

SDRL Non-Consolidated entity / branch

Seadrill
Ownership equal to 100%, unless otherwise noted

Organization Chart – 2022 C11 Emergence

Seabras Joint Venture and SeaMex Joint Venture



Schedule 19
Reference Rate Terms

CURRENCY: USD.

Cost of funds as a fallback

Cost of funds will apply as a fallback.

Definitions

Additional Business Days: An RFR Banking Day.

Baseline CAS:

Length of Interest Period	Credit Adjustment Spread for USD
Does not exceed 1 month	0.11448%
Between 1 and 2 months	0.18456%
Between 2 months plus 1 day and 3 months	0.26161%
Between 3 months plus 1 day and 6 months	0.42826%

Break Costs: None specified.

Business Day Conventions (definition of "Month" and Clause 13.3 (*Non Business Days*)):

(a) If any period is expressed to accrue by reference to a Month or any number of Months then, in respect of the last Month of that period:

(i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

(b) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Central Bank Rate:

(a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or

(b) if that target is not a single figure, the arithmetic mean of:

(i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and

(ii) the lower bound of that target range.

Central Bank Rate Adjustment:

In relation to the applicable Central Bank Rate prevailing at the close of business on any RFR Banking Day, the 20 per cent trimmed arithmetic mean of the applicable Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR is available.

Central Bank Rate Spread:

In relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Agent of:

(a) the RFR for that RFR Banking Day; and

(b) the applicable Central Bank Rate prevailing at close of business on that RFR Banking Day

Daily Rate:

The "**Daily Rate**" for any RFR Banking Day is:

(a) the RFR for that RFR Banking Day; or

(b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:

(i) the Central Bank Rate for that RFR Banking Day; and

(ii) the applicable Central Bank Rate Adjustment; or

(c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:

(i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and

(ii) the applicable Central Bank Rate Adjustment,

rounded, in each case, to five decimal places and if, in either case, if the aggregate of that rate and the Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the Credit Adjustment Spread is zero.

Lookback Period: Five (5) RFR Banking Days.

Market Disruption Rate: The percentage rate per annum which is the aggregate of:

(a) the Cumulative Compounded RFR Rate for the Interest Period of the relevant Loan; and

(b) the applicable Credit Adjustment Spread.

Relevant Market: The market for overnight cash borrowing collateralised by US Government securities.

Reporting Day: The Business Day which follows the day which is the Lookback Period prior to the last day of the Interest Period.

RFR: The secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

RFR Banking Day:	Any day other than: (a) a Saturday or Sunday; and (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.
Reporting Times:	
Deadline for Lenders to report market disruption in accordance with Clause 14.2 (*Market disruption*):	Close of business in London on the Reporting Day for the relevant Loan.
Deadline for Lenders to report their cost of funds in accordance with Clause 14.3 (*Cost of funds*):	Close of business on the date falling two Business Days after the Reporting Day for the relevant Loan (or, if earlier, on the date falling three Business Days before the date on which interest is due to be paid in respect of the Interest Period for that Loan).

Schedule 20
Daily Non-Cumulative Compounded RFR Rate

The "**Daily Non-Cumulative Compounded RFR Rate**" for any RFR Banking Day "i" during an Interest Period for a Loan is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose) calculated as set out below:

$$(UCCDR_i - UCCDR_{i-1}) \times \frac{dcc}{n_i}$$

where:

"**$UCCDR_i$**" means the Unannualised Cumulative Compounded Daily Rate for that RFR Banking Day "**i**";

"**$UCCDR_{i-1}$**" means, in relation to that RFR Banking Day "**i**", the Unannualised Cumulative Compounded Daily Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

"**n_i**" means the number of calendar days from, and including, that RFR Banking Day "**i**" up to, but excluding, the following RFR Banking Day; and

the "Unannualised Cumulative Compounded Daily Rate" for any RFR Banking Day (the "**Cumulated RFR Banking Day**") during that Interest Period is the result of the below calculation (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose):

$$ACCDR \times \frac{tn_i}{dcc}$$

where:

"**ACCDR**" means the Annualised Cumulative Compounded Daily Rate for that Cumulated RFR Banking Day;

"**tn_i**" means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the Cumulation Period;

"**Cumulation Period**" means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, that Cumulated RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

the "**Annualised Cumulative Compounded Daily Rate**" for that Cumulated RFR Banking Day is the percentage rate per annum (rounded to four (4) decimal places until such time as the Agent can facilitate five decimal places for USD) calculated as set out below:

$$\left[\prod_{i=1}^{d_0}\left(1 + \frac{DailyRate_{i\text{-}LP} \times n_i}{dcc}\right) - 1\right] \times \frac{dcc}{tn_i}$$

where:

"**d_0**" means the number of RFR Banking Days in the Cumulation Period;

"**Cumulation Period**" has the meaning given to that term above;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant RFR Banking Day in chronological order in the Cumulation Period;

"**DailyRate$_{i\text{-}LP}$**" means, for any RFR Banking Day "**i**" in the Cumulation Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "**i**";

"**n_i**" means, for any RFR Banking Day "**i**" in the Cumulation Period, the number of calendar days from, and including, that RFR Banking Day "**i**" up to, but excluding, the following RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

"**tn_i**" has the meaning given to that term above.

Schedule 21
Cumulative Compounded RFR Rate

The "**Cumulative Compounded RFR Rate**" for any Interest Period for a Loan is the percentage rate per annum (rounded to the same number of decimal places as is specified in the definition of "Annualised Cumulative Compounded Daily Rate" in Schedule 20 (*Daily Non-Cumulative Compounded RFR Rate*)) calculated as set out below:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\text{DailyRate}_{i\text{-}LP}\times n_i}{dcc}\right)-1\right]\times\frac{dcc}{d}$$

where:

"$\mathbf{d_0}$" means the number of RFR Banking Days during the Interest Period;

"**i**" means a series of whole numbers from one to d_0, each representing the relevant RFR Banking Day in chronological order during the Interest Period;

"$\mathbf{DailyRate_{i\text{-}LP}}$" means for any RFR Banking Day "**i**" during the Interest Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "**i**";

"$\mathbf{n_i}$" means, for any RFR Banking Day "**i**", the number of calendar days from, and including, that RFR Banking Day "**i**" up to, but excluding, the following RFR Banking Day;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number; and

"**d**" means the number of calendar days during that Interest Period.

Signatures

The Parent
Seadrill 2021 Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdah
Title: Authorised Signatory
Address: Par-la-Ville Place
14 Par-la-Ville Road
Hamilton, HM08
Bermuda
E-mail Address: banknotice@seadrill.com
Tel: +1 441 295 69 35
Attention: Corporate Secretary

Copy to for information purposes only:

Seadrill Management Ltd.
2nd Floor Building 11
Chiswick Business Park
566 Chiswick High Road
London W4 5YS
United Kingdom

Att: Group Treasury

Tel: +44 (0)20 8811 4700
Email: grouptreasury@seadrill.com

The Obligors' Agent
Seadrill Rig Holding Company Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory
Address: Par-la-Ville Place
14 Par-la-Ville Road
Hamilton, HM08
Bermuda
E-mail Address: banknotice@seadrill.com
Tel: +1 441 295 69 35
Attention: Corporate Secretary

Copy to for information purposes only:

Seadrill Management Ltd.
2nd Floor Building 11
Chiswick Business Park
566 Chiswick High Road
London W4 5YS
United Kingdom

Att: Group Treasury

Tel: +44 (0)20 8811 4700
Email: grouptreasury@seadrill.com

The Original Borrower
Seadrill Finance Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

The Original Guarantors
Seadrill 2021 Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Rig Holding Company Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Finance Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Treasury UK Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Attorney-in-fact

Seadrill Gemini Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Asia Offshore Drilling Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Asia Offshore Rig 1 Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Asia Offshore Rig 2 Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Asia Offshore Rig 3 Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill GCC Operations Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Indonesia Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Cressida Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Callisto Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Eclipse Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Carina Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Tucana Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Tellus Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Saturn Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Jupiter Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

North Atlantic Phoenix Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill North Atlantic Holdings Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

North Atlantic Elara Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Norway Operations Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Prospero Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Telesto Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Serviços de Petróleo Ltda.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Attorney-in-fact

Seadrill Castor Pte. Ltd.

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Seadrill Management (S) Pte. Ltd.

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Seadrill Neptune Hungary Kft.

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Sevan Louisiana Hungary Kft.

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Seadrill Gulf Operations Neptune LLC

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Sevan Drilling North America LLC

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Seadrill Ariel Ltd.

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

The Original Security Providers

Seadrill Investment Holding Company Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Jack Up Holding Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Sevan Holdings Limited

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Scorpion International Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Global Services Ltd.

By: /s/ Ellen T. Heyerdahl
Name: Ellen T. Heyerdahl
Title: Authorised Signatory

Seadrill Americas, Inc.

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Sevan Drilling Rig II AS

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Seadrill Europe Management AS

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Eastern Drilling AS

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Seadrill Offshore AS

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

Seadrill Management Ltd.

By: /s/ Ellen Teresa Heyerdahl
Name: Ellen Teresa Heyerdahl
Title: Attorney-in-fact

The Agent
Global Loan Agency Services Limited

By: /s/ Stine Parten
Name: Stine Parten
Title: Attorney-in-fact
Address: 55 Ludgate Hill, Level 1, West, London EC4M 7JW, United Kingdom
E-mail Address: tmg@glas.agency
Attention: Transaction Management Group (Seadrill Finance Limited TRN00002419)

The Common Security Agent
GLAS Trust Corporation Limited

By: /s/ Stine Parten
Name: Stine Parten
Title: Attorney-in-fact
Address: 55 Ludgate Hill, Level 1, West, London EC4M 7JW, United Kingdom
E-mail Address: tmg@glas.agency
Attention: Transaction Management Group (Seadrill Finance Limited TRN00002419)

The Original Lenders

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Ironshield Special Situations L1 Master Fund LP

By: /s/ David Nazar
Name: David Nazar
Title: Managing Partner

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

J.P. Morgan Securities plc

By: /s/ Philippe Chmelar
Name: Philippe Chmelar
Title: Executive Director

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Kington Sarl

By: /s/ Melanie Davison
Name: Melanie Davison
Title: Authorised Signatory of Cairn Capital Limited
(acting in its capacity of investment manager or adviser of Kington Sarl)

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Nordea Bank Abp London Branch

By: /s/ Dietmar Schubert
Name: Dr. Dietmar Schubert
Title: Senior Legal Counsel

If a second signature is necessary:

By: /s/ Anna Kverneland Simensen
Name: Anna Kverneland Simensen
Title: Associate Director

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Sherston Sarl

By: /s/ Melanie Davison
Name: Melanie Davison
Title: Authorised Signatory of Cairn Capital Limited
(acting in its capacity of investment manager or adviser of Sherston Sarl)

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Skandinaviska Enskilda Banken AB (publ)

By: /s/ Erling Amundsen
Name: Erling Amundsen
Title:

If a second signature is necessary:

By: /s/ Glenn Nergaard
Name: Glenn Nergaard
Title: Country CFO, SEB, Norway

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Danish Ship Finance (Danmarks Skibskredit A/S)

By: /s/ Michael Frisch
Name: Michael Frisch
Title: CCO

If a second signature is necessary:

By: /s/ Erik I. Lassen
Name: Erik I. Lassen
Title: CEO

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Deutsche Bank AG, London Branch

By: /s/ Chris Ballantyne
Name: Chris Ballantyne

If a second signature is necessary:

By: /s/ Simon Glennie
Name: Simon Glennie

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Didmarton 405 Sarl

By: /s/ Adam Dowell
Name: Adam Dowell
Title: Authorised Signatory of Cairn Capital Limited
(acting in its capacity of investment manager or adviser of Didmarton 405 Sarl)

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Didmarton Sarl

By: /s/ Melanie Davison
Name: Melanie Davison
Title: Authorised Signatory of Cairn Capital Limited
(acting in its capacity of investment manager or adviser of Didmarton Sarl)

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

DNB Bank ASA

By: /s/ Andreas Jøtne
Name: Andreas Jøtne
Title: VP

If a second signature is necessary:

By: /s/ Einar Aaser
Name: Einar Aaser
Title: Senior Vice President

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Export Finance Norway

By: /s/ Hans Melandsø
Name: Hans Melandsø
Title: Senior Vice President

If a second signature is necessary:

By: /s/ Justine Cordier Svendsen
Name: Justine Cordier Svendsen
Title: Lawyer

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Elliott Associates L.P.
By: Elliott Investment Management L.P., as attorney-in-fact

By: /s/ Elliot Greenberg
Name: Elliot Greenberg
Title: Vice President

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Elliott International L.P.
By: Hambledon, Inc., its General Partner
By: Elliott Investment Management L.P., as attorney-in-fact

By: /s/ Elliot Greenberg
Name: Elliot Greenberg
Title: Vice President

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Manningtree Investments Limited

By: /s/ Elliot Greenberg
Name: Elliot Greenberg
Title: Vice President

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

HSBC Bank Plc

By: /s/ Timothy J. Brown
Name: Timothy J. Brown
Title: Head of Financial Exposure

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

TCA Event Investments Sarl

By: /s/ Joao Martins
Name: Joao Martins
Title: Manager

If a second signature is necessary:

By: /s/ John Sutherland
Name: John Sutherland
Title: Manager

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

TCA Opportunity Investments Sarl

By: /s/ Joao Martins
Name: Joao Martins
Title: Manager

If a second signature is necessary:

By: /s/ John Sutherland
Name: John Sutherland
Title: Manager

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Westal Holdings Ltd

By: /s/ Andreas Frangos
Name: Andreas Frangos
Title: Director

If a second signature is necessary:

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Cetus Capital VI, L.P.

By: /s/ Richard Maybaum
Name: Richard Maybaum

By: /s/ Robert E. Davis
Name: Robert E. Davis

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

OFM II, L.P.

By: /s/ Richard Maybaum
Name: Richard Maybaum

If a second signature is necessary:

By: /s/ Robert E. Davis
Name: Robert E. Davis

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

San Bernardino County Employees' Retirement Association
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber
Name: Karen Weber

By:
Name:
Title:

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Ginkgo Tree LLC
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber
Name: Karen Weber
Title: Director - Bank Debt

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

GoldenTree Partners, LP
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber
Name: Karen Weber
Title: Director - Bank Debt

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

GoldenTree Select Partners, LP
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber
Name: Karen Weber
Title: Director - Bank Debt

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

GoldenTree Insurance Fund Series Interests of the SALI Multi-Series Fund, LP
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber
Name: Karen Weber
Title: Director - Bank Debt

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

Louisiana State Employees' Retirement System
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber
Name: Karen Weber
Title: Director - Bank Debt

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

MA Multi-Sector Opportunistic Fund, LP
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber
Name: Karen Weber
Title: Director - Bank Debt

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

GT NM, LP
By: GoldenTree Asset Management, LP

By: /s/ Karen Weber
Name: Karen Weber
Title: Director - Bank Debt

USD 682,992,430

SENIOR SECURED CREDIT FACILITY AGREEMENT

dated 22 February 2022

for

Seadrill Limited
as Parent

and

Seadrill Finance Limited
as Original Borrower
and

Seadrill Rig Holding Company Limited
as RigCo

with

the companies named herein
as Guarantors

provided by

the banks and financial institutions named herein
as Lenders

with

Global Loan Agency Services Limited
as Agent

and

GLAS Trust Corporation Limited
as Common Security Agent
www.bahr.no

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THIS SENIOR SECURED CREDIT FACILITY AGREEMENT IS DATED 22 FEBRUARY 2022 AND MADE BETWEEN:

(1) **Seadrill 2021 Limited** (whose name is to be changed to Seadrill Limited), of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, registration number 202100496, as ultimate parent and guarantor (the "**Parent**");

(2) **Seadrill Finance Limited**, of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, registration number 202100498, as borrower (the "**Original Borrower**");

(3) **Seadrill Rig Holding Company Limited**, of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, registration number 53436, as parent of the RigCo Group and guarantor ("**RigCo**");

(4) **Seadrill Treasury UK Limited**, a company incorporated and existing under the laws of England and Wales, having its registered office at 2nd Floor, Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS, with company no. 11267283, as guarantor ("**Cash Pool Co**");

(5) **the companies listed as guarantors in Schedule 2** (Borrower and Guarantors) (as amended from time to time) as joint and several guarantors, all being wholly owned subsidiaries of the Parent (other than the Parent);

(6) **the banks and financial institutions listed as Lenders in Schedule 1** (*Lenders and Commitments*) hereto, as the original lenders (each an "**Original Lender**" together, the "**Original Lenders**");

(7) **Global Loan Agency Services Limited,** a company incorporated and existing under the laws of England and Wales, having its registered office at 55 Ludgate Hill, Level 1, West, London EC4M 7JW, United Kingdom, with company no. 08318601 as facility agent (the "**Agent**"); and

(8) **GLAS Trust Corporation Limited,** a company incorporated and existing under the laws of England and Wales, having its registered office at 55 Ludgate Hill, Level 1, West, London EC4M 7JW, United Kingdom, with company no. 07927175 as common security agent and trustee (the "**Common Security Agent**").

IT IS AGREED AS FOLLOWS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

"**2020 Seadrill Financial Statements**" means the audited consolidated financial statements of Seadrill Limited (registration number 53439) for the year ending 31 December 2020.

"**Acceptable Ship Registry**" means the ship registry of Bahamas, Bermuda, Cyprus, Denmark, Germany, United Kingdom, Hong Kong, Isle of Man, Cayman Islands, Liberia, Malta, the Marshall Islands, the Netherlands, Norway, Panama and Singapore and any other ship registry approved by the Agent.

"**Accession Letter**" means a document substantially in the form set out in Schedule 8 (*Form of Accession Letter*).

"**Accounting Principles**" means, for the relevant member of the Group, generally accepted accounting principles in the United States of America (US GAAP), IFRS or other generally accepted accounting principles in the jurisdiction of incorporation of that member of the Group.

"**Acquisition**" means any acquisition of:

1(a) any company or shares (or similar equity investments) or a business or undertaking (or, in each case, any interest in any of them); or

1(b) any drilling unit, rig or vessel (excluding the Drilling Units), including, for the avoidance of doubt, any entry into of a contract for the acquisition of the same.

"**Additional Business Day**" has the meaning given to that term in the applicable Reference Rate Terms.

"**Additional Guarantor**" means each company which becomes an Additional Guarantor in accordance with Clause 27.3 (*Changes to the Guarantors*).

"**Additional Indebtedness**" shall have the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Additional Security Provider**" means any Security Provider which grants or provides a Security Interest only pursuant to a Floating Charge.

"**Adjusted EBITDA**" shall have the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agreed Format**" means, in relation to any document, that such document is substantially in the form agreed by the Obligors' Agent and the Agent (acting on the instructions of the Required Majority) on or prior to the Effective Time or in such other form as may be agreed from time to time by the Obligors' Agent and the Agent (acting on the instructions of the Required Majority) (each acting reasonably).

"**Agreement**" means this senior secured credit facility agreement, as it may be amended, amended and restated, supplemented and/or varied from time to time, including its Schedules, any Transfer Certificate, any Borrower Replacement Letter and any Accession Letter.

"**Amendment and Restatement Agreement**" means the amendment and restatement agreement dated 22 February 2022 entered into between, amongst others, the Obligors and the Agent for the amendment and restatement of the Existing Facilities Agreements.

"**Applicable Margin**" means, the aggregate of:

1(c) 5.00 per cent per annum; and

1(d) the PIYC Margin.

"**Approved Borrower Jurisdiction**" means Norway, Luxembourg, England and Wales, Bermuda and any other jurisdiction approved in advance by the Agent (acting on the instructions of all the Lenders).

"**Approved Brokers**" means each of Clarksons Platou, Fearnleys, Pareto and IHS Petrodata or such other reputable and independent consultancy or ship broker firm approved by the Agent, such consent not to be unreasonably withheld or delayed.

"**Approved Guarantor Jurisdiction**" means Norway, Luxembourg, England and Wales, Bermuda, Singapore, Hungary, Switzerland, the United Arab Emirates and any other jurisdiction approved in advance by the Agent (acting on the instructions of all the Lenders).

"**Asset Coverage Threshold**" means that the lower of:

1(e) the pro forma Market Value of all Drilling Units and Cash and Cash Equivalents of the RigCo Group above USD 400,000,000; and

1(f) the enterprise value of the Parent (calculated by reference to (i) the Parent's market capitalisation determined using the trading price on the New York Stock Exchange multiplied by the total number of shares in issue or, if the Parent is not listed on the New York Stock Exchange at the time, on the Oslo Stock Exchange and (ii) consolidated net debt (such netting to take into account only any cash and cash equivalents which would constitute "Cash", "Cash Equivalents" or "Cash and Cash Equivalents Collateral" for the purposes of this Agreement but, for the purposes of this paragraph (b) only, on the basis that the definitions of "Cash and Cash Equivalents Collateral" apply to cash and cash equivalents held by the Group up to the Permitted Cash and Cash Equivalents Collateral Threshold)),

is more than 450% of the total outstanding principal amounts and commitments under the New Money Facilities (including, for the avoidance of doubt, any undrawn and uncancelled commitments under the New Money Facilities).

"**Asset Sale Waterfall**" shall have the meaning given to that term in Clause 8.2.4 (*Sale or disposal - definitions*).

"**Assignment of Earnings**" means each assignment agreement, collateral to the Secured Bank Facilities Agreements, for the first priority perfected assignment of the Earnings, made between the relevant Obligor and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**Assignment of Insurances**" means each assignment agreement, collateral to the Secured Bank Facilities Agreements, for the first priority perfected assignment of (i) the Insurances, made between the relevant Drilling Unit Owner and the Common Security Agent (on behalf of the Senior Secured Finance Parties) and (ii) any re-insurances taken out by any captive vehicle, made between the relevant captive vehicle and the Common Security Agent (on behalf of the Senior Secured Finance Parties), in both cases as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**Assignment of Seadrill Group Downstream Claims**" means each assignment agreement, collateral to the Secured Bank Facilities Agreements, for the first priority perfected assignment of any Seadrill Group Downstream Claim, made between the relevant member of the Group and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**Assignment of Seadrill Group Downstream Loans**" means each assignment agreement, collateral to the Secured Bank Facilities Agreements, for the first priority perfected assignment of any Seadrill Group Downstream Loan, made between the relevant member of the Group and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**Auditors**" means reputable and internationally recognised accountancy firms acceptable to the Required Majority such as PriceWaterhouseCoopers, Deloitte, EY, and KPMG or such other firm approved in advance by the Required Majority (such approval not to be unreasonably withheld or delayed).

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Available Commitment**" means a Lender's Commitment less the amount of its participation in any outstanding Loans.

"**AWV**" means the German foreign trade ordinance called Außenwirtschaftsverordnung.

"**Backstop Commitment Letter**" shall have the meaning given to that term in the PSA.

"**Backstop Party**" shall have the meaning given to that term in the Backstop Commitment Letter.

"**Bail-In Action**" means the exercise of any Write-down and Conversion Powers.

"**Bail-In Legislation**" means:

1(g) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;

1(h) in relation to the United Kingdom, the UK Bail-In Legislation; and

1(i) in relation to any other state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"**Base Case Model**" means the outputs of the financial model prepared as at 2 September 2021 (updated prior to the Effective Time solely for contract wins since the original date of preparation) reflecting the forecasted consolidated financial condition of the Group for at least five (5) years from the date of its preparation.

"**Baseline CAS**" means any rate which is specified as such in the applicable Reference Rate Terms.

"**Borrower**" means the Original Borrower and any Replacement Borrower which accedes as a Borrower in accordance with Clause 27.2 (*Changes to the Borrower*).

"**Borrower Replacement Letter**" means a document substantially in the form set out in Schedule 6 (*Form of Borrower Replacement Letter*).

"**Break Costs**" means any amount specified as such in the Reference Rate Terms.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for business in Oslo, London and New York (or any other relevant place of payment under Clause 31 (*Payment mechanics*)) and, in relation to:

1(j) any date for payment or purchase of an amount relating to a Loan; and

1(k) the determination of the first day or the last day of an Interest Period for a Loan, or otherwise in relation to the determination of the length of such an Interest Period,

any day which is an Additional Business Day relating to that Loan or Unpaid Sum.

"**Cash**" shall have the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Cash Consideration**" shall have the meaning given to that term in Clause 8.2 (*Sale or disposal*).

"**Cash Equivalents**" shall have the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Cash Flow Projections**" means:

1(l) the Base Case Model delivered by the Parent or the Obligors' Agent to the Agent on or prior to the Effective Time; and

1(m) any cash flow projections based on the Base Case Model delivered by the Parent and/or the Obligors' Agent to the Agent pursuant to and for such period as described in Clause 22.1 (*Financial statements*), such cash flow projections to be in a format substantially similar to the cash flow projections provided in the Base Case Model or such other format satisfactory to the Agent (acting reasonably).

"**Cash Pool Co Share Charge**" means the first priority perfected share charge, collateral to the Secured Bank Facilities Agreements, over all the shares, equity interests and/or membership interests (as applicable) of Cash Pool Co from time to time, made between RigCo and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**Cash Sweep**" means the cash sweep set out in Clause 8.8 (*Cash sweep prepayment*).

"**Cash Sweep Accounts**" means the accounts with account numbers 81014978267USD (USD), 81014978267NO (NOK), 81014978267GBP (GBP) and 81014978267EUR (EUR) opened in the name of Cash Pool Co with Danske Bank A/S and/or any other account opened

by Cash Pool Co from time to time into which cash sweeps are made pursuant to Clause 24.25 (*RigCo Group cash sweep*).

"**Cash Sweep Account Charges**" means each first priority perfected charge over the Cash Sweep Accounts made between Cash Pool Co and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**Cash Sweep Amount**" shall have the meaning given to that term in Clause 8.8 (*Cash sweep prepayment*).

"**Cash Sweep Prepayment Date**" means each 15 March, 15 June, 15 September and 15 December, with the first Cash Sweep Prepayment Date being 15 March 2023, and provided that if a Cash Sweep Prepayment Date would otherwise occur on a day which is not a Business Day, that Cash Sweep Prepayment Date will instead occur on the next Business Day in that calendar month.

"**Cash Sweep Threshold**" means, in respect of any Cash Sweep Calculation Date, an amount equal to USD 500,000,000 *less* an amount in USD equal to the sum of:

1(n) any amounts actually paid by way of consideration or in meeting liabilities assumed by any member of the Group, in each case in respect of any Investment or Acquisition in reliance on paragraph (n) of the definition of "Permitted Investment/Acquisition", *less* the proceeds from the Hemen Convertible Bond to the extent not previously deducted under this paragraph (a) in the calculation of the Cash Sweep Threshold on any Cash Sweep Calculation Date;

1(o) any amounts actually paid under Financial Support provided by the Group in reliance on paragraph (n) of the definition of "Permitted Financial Support"; and

1(p) any amounts actually paid under Financial Support or by way of investment provided by the Group in reliance on paragraph (d) of the definition of "Permitted Non-Recourse Subsidiary Investment",

in each case during the period of eighteen (18) months ending on such Cash Sweep Calculation Date.

"**Central Bank Rate**" has the meaning given to that term in the applicable Reference Rate Terms.

"**Central Bank Rate Adjustment**" has the meaning given to that term in the applicable Reference Rate Terms.

"**Charter Contracts**" means each of the charter contracts for the employment of the Drilling Units listed in Schedule 3 (*The Drilling Units*) (as updated in accordance with Clause 22.11(a)).

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment(s)**" means:

1(q) in relation to a Lender, the amount set opposite its name under the heading "Commitments" in Schedule 1 (*Lenders and Commitments*) and the amount of any

other Commitment transferred to it pursuant to Clause 27.5 (*Assignments and transfers by the Lenders*); and

1(r) in relation to any New Lender, the amount of any Commitment transferred to it pursuant to Clause 27.5 (*Assignments and transfers by the Lenders*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Common Terms**" means the following:

1(s) Clause 8 (*Mandatory Prepayment and Cancellation*), excluding Clauses 8.7 (*Recycling Units*), 8.8 (*Cash sweep prepayment*) and 8.9 (*Terms and conditions for mandatory prepayments and cancellations*);

1(t) Clause 20 (*Security*);

1(u) Clause 21 (*Representation and Warranties*)

1(v) Clause 22 (*Information Undertakings*);

1(w) Clause 23 (*Financial Covenants*);

1(x) Clause 24(*Undertakings*);

1(y) Clause 25 (*Drilling Unit Covenants*);

1(z) Clause 26 (*Events of Default*);

1(aa) Clauses 27.1 (*No assignment by the Obligors or the Security Providers*) 27.2 (*Changes to the Borrower*) 27.3 (*Changes to the Guarantors*) and 27.4 (*Release of Guarantors and Security Documents*);

1(ab) Clause 35.3 (*Common Terms*); and

1(ac) each of the defined terms set out in Schedule 14 to the New Money Facility Agreement.

"**Compliance Certificate**" means a certificate substantially in the form as set out in Schedule 5 (*Form of Compliance Certificate*) and delivered pursuant to Clause 22.2 (*Compliance Certificate*).

"**Compounded Rate Interest Payment**" means the aggregate amount of interest that:

1(ad) is, or is scheduled to become, payable under any Finance Document; and

1(ae) relates to a Loan.

"**Compounded Reference Rate**" means, in relation to any RFR Banking Day during the Interest Period of a Loan, the percentage rate per annum which is the aggregate of:

1(af) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Date; and

1(ag) the applicable Credit Adjustment Spread (if any).

"**Compounding Methodology Supplement**" means, in relation to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate, a document which:

1(ah) is agreed in writing by the Borrower, the Agent (in its own capacity) and the Agent (acting on the instructions of the Required Majority);

1(ai) specifies a calculation methodology for that rate; and

1(aj) has been made available to the Borrower and each Finance Party.

"**Confidential Information**" means all information relating to the Parent, any Obligor, the Group, any Non-Recourse Subsidiary, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

(A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 28 (*Disclosure of information*); or

(B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate.

"**Contract Memo**" means a memo describing the time charter arrangement relating to any of the Drilling Units and summarising the terms thereof, to be provided by the law firm Advokatfirmaet BAHR AS or another reputable law firm appointed by the Agent and agreed by the Obligors' Agent.

"**Credit Adjustment Spread**" means the applicable Baseline CAS.

"**Cumulative Compounded RFR Rate**" means, in relation to an Interest Period for a Loan, the percentage rate per annum determined by the Agent (or by any other Finance Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 16 (*Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Non-Cumulative Compounded RFR Rate**" means, in relation to any RFR Banking Day during an Interest Period for a Loan, the percentage rate per annum determined by the Agent (or by any other Finance Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 15 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Rate**" means the rate specified as such in the applicable Reference Rate Terms.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Defaulting Lender**" means any Lender:

1(a) which has rescinded or repudiated a Finance Document; or

1(b) with respect to which insolvency proceedings, winding up, or liquidation has occurred and is continuing.

"**Disruption Event**" means either or both of:

1(c) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

1(d) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

1(i) from performing its payment obligations under the Finance Documents; or

1(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Drilling Units**" means each of the drilling units listed in Schedule 3 (*The Drilling Units*), each of which is owned by the Drilling Unit Owner as set out therein and as updated in accordance with Clause 22.11(a) (and subject to any disposal or acquisition in accordance with the terms of the Finance Documents).

"**Drilling Unit Owners**" means each of the owners of one or more Drilling Units as set out in Schedule 3 (*The Drilling Units*) (as updated in accordance with Clause 22.11(a)) and any Additional Guarantor becoming the owner of a Drilling Unit in accordance with the terms of the Finance Documents.

"**Drilling Unit Permitted Encumbrances**" means in respect of any Drilling Unit:

1(a) liens for current crews' wages and salvage;

1(b) any ship repairer's or outfitter's possessory lien arising by operation of law and not exceeding USD 5,000,000; and

1(c) any other Security Interest incurred in the ordinary course of operating such Drilling Unit, or otherwise in connection with maintaining, furnishing supplies and bunkers to, repairing and/or improving or altering such Drilling Unit, in each case as permitted by this Agreement, provided that the amount secured by such Security Interest does not exceed USD 5,000,000.

"**Earnings**" means all moneys whatsoever which are now, or later become, payable (actually or contingently) to any Obligor and which arise out of the use of or operation of any of the Drilling Units, including (but not limited to):

1(d) all freight, hire and passage moneys payable to an Obligor, including (without limitation) payments of any nature under any charter or agreement for the employment, use, possession, management and/or operation of any of the Drilling Units;

1(e) any claim under any guarantees related to freight and hire payable to an Obligor as a consequence of the operation of any of the Drilling Units;

1(f) compensation payable to an Obligor in the event of any requisition of any of the Drilling Units or for the use of any of the Drilling Units by any government authority or other competent authority;

1(g) remuneration for salvage, towage and other services performed by any of the Drilling Units payable to an Obligor;

1(h) demurrage, detention and retention money receivable by an Obligor in relation to any of the Drilling Units;

1(i) all moneys which are at any time payable under the Insurances in respect of loss of earnings;

1(j) all present and future moneys and claims payable to an Obligor in respect of any breach or variation of any charterparty or contract of affreightment in respect of the Drilling Unit;

1(k) if and whenever any of the Drilling Units is employed on terms whereby any moneys falling within paragraphs (a) to (g) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to such Drilling Unit(s); and

1(l) any other money whatsoever due or to become due to an Obligor from third parties in relation to any of the Drilling Units,

provided however that income related to service contracts which only fulfil a local requirement in certain jurisdictions and which generate immaterial net profits in the context of the Secured Bank Facilities shall not be included.

"**Earnings Account**" means the bank account or accounts from time to time of RigCo and any relevant Drilling Unit Owner and any relevant Intra-Group Charterer into which any Earnings (including any proceeds of the Insurances) are paid.

"**Earnings Account Charge**" means each first priority perfected charge over each Earnings Account (other than any Earnings Account in relation to which the Common Security Agent (acting on the instructions of the Supra Majority Lenders) agrees does not need to be subject to an Earnings Account Charge) made between the relevant Obligor and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**EBITDA**" shall have the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**EEA Member Country**" means any member state of the European Union, and any other member of the EEA Agreement from time to time, currently being Iceland, Liechtenstein and Norway.

"**Effective Time**" shall have the meaning given to that term in the Amendment and Restatement Agreement.

"**Environmental Approval**" means any permit, licence, consent, approval and other authorisations and the filing of any notification, report or assessment required under any Environmental Law for the operation of the Drilling Units and for the operation of the business of any member of the Group.

"**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any party in respect of any Environmental Law or Environmental Approval.

"**Environmental Law**" means any applicable law or regulation which relates to:

1(m) the pollution or protection of the environment;

1(n) harm to or the protection of human health;

1(o) the conditions of the workplace; or

1(p) any emission or substance capable of causing harm to any living organism or the environment.

"**EU Bail-In Legislation Schedule**" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"**Euronext Expand Listing Conditions**" means:

(a) the spread of ownership requirement for shares in the Parent being satisfied at the applicable time in order to list on Euronext Expand in accordance with section 3.1.4.1 of the Oslo Rule Book II and/or an exemption being granted by Oslo Børs thereunder; and

(b) the free float requirement with respect to holders of shares in the Parent being satisfied at the applicable time in order to list on Euronext Expand in accordance with section 3.1.4.2 of the Oslo Rule Book II and/or an exemption being granted by Oslo Børs thereunder.

"**Event of Default**" means any event or circumstance specified as such in Clause 26 (*Events of Default*).

"**Excess Sales Proceeds**" means an amount equal to the Cash Consideration received by members of the RigCo Group in respect of a sale or other disposal of a Drilling Unit or Drilling Unit Owner less the amount used for (i) application pursuant to the mandatory prepayment requirements of the Secured Bank Facilities Agreements (in the case of a non-distressed disposal) or after application pursuant to the Secured Bank Facilities Agreements of recoveries following an enforcement sale (in the case of a distressed disposal) and (ii) payment of costs and expenses (including Taxation) in connection with the relevant sale or disposal.

"**Exchange(s)**" means the Euronext Expand, the OTCQX, the Oslo Stock Exchange, the New York Stock Exchange or any other internationally recognised stock exchange(s) approved by the Required Majority.

"**Existing Facilities**" means each "Facility" under and as defined in each of the Existing Facilities Agreements.

"**Existing Facilities Agreements**" means each of (all as later amended and/or amended and restated, most recently pursuant to an amendment and restatement agreement dated 15 June 2018):

1(a) the USD 1,350,000,000 senior secured credit facility agreement originally dated 26 August 2014 between, amongst others, RigCo as borrower and DNB Bank ASA as agent;

1(b) the USD 450,000,000 senior secured credit facility agreement originally dated 13 December 2013 between, amongst others, Seadrill Eminence Ltd. as borrower and Global Loan Agency Services Limited as agent;

1(c) the USD 360,000,000 senior secured credit facility agreement originally dated 9 April 2013 between, amongst others, Asia Offshore Rig 1 Limited, Asia Offshore Rig 2 Limited and Asia Offshore Rig 3 Limited as borrowers and Global Loan Agency Services Limited as agent;

1(d) the USD 400,000,000 senior secured credit facility agreement originally dated 8 December 2011 between, amongst others, RigCo as borrower and Nordea Bank Abp, filial i Norge as agent;

1(e) the USD 950,000,000 senior secured credit facility agreement originally dated 26 January 2015 between, amongst others, RigCo as borrower and Nordea Bank Abp, filial i Norge as agent;

1(f) the USD 300,000,000 senior secured credit facility agreement originally dated 16 July 2013 between, amongst others, RigCo as borrower and DNB Bank ASA as agent;

1(g) the USD 483,833,333.34 senior secured credit facility agreement originally dated 20 March 2013 between, amongst others, Seadrill Tellus Ltd. as borrower and ING Bank N.V. as agent;

1(h) the USD 1,500,000,000 senior secured credit facility agreement originally dated 30 July 2014 between, amongst others, Seadrill Neptune Hungary Kft, Seadrill Saturn Ltd. and Seadrill Jupiter Ltd. as borrowers and Nordea Bank Abp, filial i Norge as agent;

1(i) the USD 2,000,000,000 senior secured credit facility agreement originally dated 15 April 2011 between, amongst others, Seadrill North Atlantic Holdings Limited as borrower and DNB Bank ASA as agent;

1(j) the USD 1,750,000,000 senior secured credit facility agreement originally dated 30 September 2013 between, amongst others, Sevan Brasil Ltd, Sevan Driller Ltd, Sevan Louisiana Hungary Kft, Sevan Drilling Pte Ltd, Sevan Drilling Rig II Pte Ltd and Sevan Drilling Rig V Pte Ltd as borrowers and ING Bank N.V. as agent (which has later been reduced to USD 1,400,000,000);

1(k) the USD 450,000,000 senior secured credit facility agreement originally dated 26 August 2015 between, amongst others, RigCo as borrower and Nordea Bank Abp, filial i Norge as agent; and

1(l) the USD 440,000,000 secured credit facility agreement originally dated 4 December 2012 between, amongst others, RigCo as borrower, Seadrill Telesto Ltd. as guarantor and Citibank Europe plc, UK Branch as agent.

"**Existing Lender**" shall have the meaning given to that term in Clause 27.5 (*Assignments and transfers by the Lenders*).

"**Facility**" means the Existing Facilities reinstated in this Agreement as described in Clause 2.1 (*The Facility*).

"Facility Office" means the office or offices notified by a Lender or Finance Party to the Agent in writing on or before the date it becomes a Lender or Finance Party (or, following that date, by not less than five (5) Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**FATCA**" means:

1(m) sections 1471 to 1474 of the Code or any associated regulations;

1(n) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

1(o) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the United States of America Internal Revenue Service, the United States of America's government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

1(p) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the United States of America), 1 July 2014; or

1(q) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may have become subject to a deduction or withholding required by FATCA.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letters**" means any letters entered into by reference to this Agreement in relation to any fees.

"**Final Maturity Date**" means 15 June 2027.

"**Finance Documents**" means this Agreement, the Amendment and Restatement Agreement, the Intercreditor Agreement, any Accession Letter, any Borrower Replacement Letter, any Compliance Certificate, any Fee Letters, the Security Documents, any Reference Rate Supplement, any Compounding Methodology Supplement, any effective interest letter, and any other document (whether creating a Security Interest or not) which is executed at any time by any of the Obligors as security for, or to establish any form of subordination to the Finance Parties under this Agreement or any of the other documents referred to herein or therein and any such other document designated as a "Finance Document" by the Agent and the Obligors' Agent.

"**Finance Party**" means each of the Agent, the Common Security Agent and the Lenders.

"**Financial Indebtedness**" means, without double counting, indebtedness for or in respect of any of the following (unless otherwise specified below, whether or not the same are required to be classified and accounted for as a liability on the face of the Group's consolidated balance sheet in accordance with the Accounting Principles):

1(r) moneys borrowed and debit balances at banks or other financial institutions;

1(s) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

1(t) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

1(u) the amount of any liability in respect of any agreement treated as a finance or capital lease in accordance with the Accounting Principles (other than, for the avoidance of doubt, any liability treated as an operating lease in accordance with the Accounting Principles);

1(v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis under the Accounting Principles);

1(w) any derivative transaction (and, when calculating the value of that transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that transaction, that amount) shall be taken into account);

1(x) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of any entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition;

1(y) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the final maturity date of any Secured Bank Facilities Agreement or are otherwise classified as borrowings under the Accounting Principles;

1(z) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question;

1(aa) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) otherwise classified as borrowings under the Accounting Principles; and

1(ab) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"**Financial Quarter**" shall have the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Financial Support**" means loans, guarantees, hedging, credits, indemnities, equity injections or equity contributions, or other similar form of credit or financial support.

"**Floating Charges**" means the first priority floating charges or similar customary all asset security, collateral to the Secured Bank Facilities Agreements, made between any Obligor, Security Provider or other member of the Group holding spare parts and/or Material IP Rights on behalf of the Group and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Secured Bank Facilities Agreements.

"**Funding Rate**" means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 12.3 (*Cost of funds*).

"**Group**" means the Parent and its Subsidiaries from time to time, excluding any Non-Recourse Subsidiary and any member of the NSNCo Group.

"**Group Restructuring**" means any reorganisation, rationalisation and/or restructuring involving the business or assets of, or shares of members of, the Group with the aim of delivering tax, operational and/or administration efficiencies, including but not limited to the merging, consolidating, amalgamating or demerging of, or corporate reconstruction or reorganisation of, members of the Group, dissolving, winding-up or striking off of members of the Group, transferring Drilling Units and/or other assets between members of the Group, moving members of the Group within the Group, rationalising intercompany balances or share capital, rationalising or creating branches or offices, change of financial year of members of the Group and/or change of place of incorporation, tax residence and/or centre of main interest of members of the Group, provided that, for the avoidance of doubt, no Group Restructuring shall involve a case being commenced under the US Bankruptcy Code against any member of the Group.

"**Guarantees**" means the guarantee(s) and indemnity(-ies) provided by the Guarantors pursuant to Clause 19 (*Guarantee and Indemnity*).

"**Guarantee Facility**" means each of:

1(ac) the guarantee facility agreement dated 15 June 2018 (as amended from time to time) entered into between Danske Bank, Norwegian Branch as issuing bank and RigCo; and

1(ad) the guarantee facility agreement dated 11 March 2021 (as amended from time to time) entered into between DNB Bank ASA as issuing bank and RigCo,

and/or any guarantee facility agreement replacing or supplementing the guarantee facility agreements referred to in (a) and (b) above, provided that the aggregate amount of the commitments thereunder does not exceed USD 60,000,000.

"**Guarantee Obligations**" means the obligations of each Guarantor pursuant to Clause 19 (Guarantee and Indemnity).

"**Guarantor(s)**" means the Parent, Cash Pool Co, the Subsidiaries of RigCo listed as guarantors in Schedule 2 (*Borrower and Guarantors*) and any Additional Guarantor (but excluding any Subsidiary of RigCo (other than Cash Pool Co) which has resigned as a Guarantor in accordance with the terms of this Agreement).

"**Hemen Convertible Bond**" means the USD 50,000,000 unsecured convertible bonds issued by the Parent at or about the Effective Time.

"**Holding Company**" means a company which is defined as the parent company following the principles of the Norwegian Public Companies Act of 1997 No. 45 § 1-3.

"**Hong Kong Convention**" means the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (2009).

"**IHCo**" means Seadrill Investment Holding Company Limited of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda with registration number 53437, a direct wholly-owned Subsidiary of the Parent.

"**Incremental Facility**" means any incremental facility incurred by the Borrower (as a new facility, an increase of an existing facility tranche or otherwise) under the New Money Facility Agreement, provided that:

1(ae) the incurrence of such Incremental Facility has been approved by the Simple Majority RFA/NMFA Lenders;

1(af) the incurrence and utilisation in full of such Incremental Facility would not cause the Incremental Facility Cap to be exceeded;

1(ag) such Incremental Facility is incurred for the purpose of funding:

1(i) capital expenditure and operating expenses on designated Drilling Unit(s) to equip such Drilling Unit(s) for charter contracts with agreed day rates greater than the day rates projected in the Base Case Model for the relevant year(s) and type(s) of Drilling Unit(s);

1(ii) ESG related expenditure on designated Drilling Unit(s) to equip such Drilling Unit(s) for extension of existing charter contract(s) on more favourable terms than under the relevant existing charter contract(s); and/or

1(iii) any payments (including funding of cash collateral) under or in respect of any non-speculative hedging arrangement entered into for the purpose of commodity hedging and/or hedging foreign exchange exposures and/or hedging interest rates, in each case in respect of any designated Drilling Unit the subject of sub-paragraphs (i) or (ii) above;

1(d) unless otherwise consented to by the Simple Majority RFA/NMFA Lenders, the total debt service of such Incremental Facility (including all interest, principal repayments and voluntary prepayments made) shall not exceed 90% of the additional net cash flow generated from the relevant Drilling Unit(s) as a result of the investment made with the funds from such Incremental Facility in such designated Drilling Unit(s);

1(e) such Incremental Facility shall rank pari passu (as to payment and the proceeds of enforcement of Transaction Security) with the New Money Facilities;

1(f) such Incremental Facility shall not benefit from any additional guarantees or security other than those provided in favour of the Senior Secured Finance Parties pursuant to the Senior Secured Finance Documents;

1(g) the creditor representative thereunder (if not already party in such capacity) has acceded to the Intercreditor Agreement as a "Creditor Representative"; and

1(h) to the extent any of the terms (including, but not limited to, pricing, maturity, amortisation, weighted average life and prepayment rights (including associated fees)) of the proposed Incremental Facility will be more favourable for the lenders under such Incremental Facility than those applicable to the New Money Facilities:

1(i) the Borrower shall promptly inform the agent under the New Money Facility Agreement of such favourable terms in reasonable detail;

1(ii) such favourable terms shall, unless the Majority New Money Lenders consent otherwise, be deemed incorporated mutatis mutandis into the New Money Facility Agreement, effective as of the date when such favourable terms become effective between the Obligors and the lenders under such Incremental Facility, provided however that to the extent any such favourable terms would change or have the effect of changing any term governed by the Common Terms, any such relevant term shall, unless the Required Majority consent otherwise, also be deemed incorporated mutatis mutandis into this Agreement; and

1(iii) the Obligors shall enter into any additional agreement, amendment or addendum to the New Money Facility Agreement (and, if required by paragraph (ii) above, this Agreement) as reasonably requested by the agent under the New Money Facility Agreement (and, if required by paragraph (ii) above, the Agent) in order to evidence the incorporation of such more favourable terms together with any reporting requirements.

"**Incremental Facility Cap**" means, at any time, an aggregate principal amount equal to (a) USD 50,000,000 (or its equivalent in any other currency) less (b) the outstanding principal amounts and commitments under any Incremental Facility (including, for the avoidance of doubt, any undrawn and un-cancelled commitments) at such time.

"**Information Nominee**" has the meaning given to it in Clause 22.14 (*Public Lenders*).

"**Insurances**" means all the insurance and re-insurance policies and contracts of insurance or re-insurance including (without limitation) those entered into in order to comply with the terms of Clause 25.3 (*Insurance*) which are from time to time in place or taken out or entered into by or for the benefit of the Obligors (whether in the sole name of the Obligors or in the joint names of the Obligors and any other person) in respect of the Drilling Units or otherwise in connection with the Drilling Units and all benefits thereunder (including claims of whatsoever nature and return of premiums).

"**Intellectual Property**" means:

1(a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and

1(b) the benefit of all applications and rights to use such assets of each member of the Group.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Effective Time between, inter alios, certain of the Obligors, the Agent, the agent under the New Money Facility Agreement and the Common Security Agent (as amended from time to time).

"**Interest Payment Date**" means the last day of each Interest Period.

"**Interest Period**" means, in relation to a Loan, each of the successive periods determined in accordance with Clause 11.1 (*Selection of Interest Periods*), and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (*Default interest*).

"**Intra-Group Charterer**" means each Subsidiary of RigCo named as an Intra-Group Charterer pursuant to Schedule 3 (*The Drilling Units*) (as updated in accordance with Clause 22.11(a)) and any Additional Guarantor becoming an intra-group charterer in respect of a Drilling Unit in accordance with the terms of this Agreement.

"**Intra-Group Charterparties**" means each of the intra-group charterparties entered into or to be entered into between the relevant Drilling Unit Owners and the relevant Intra-Group Charterer from time to time.

"**Inventory of Hazardous Materials**" means the inventory of hazardous materials issued by the relevant classification society or a classification society approved by an independent third party describing the materials present in a ship's structure and equipment that may be hazardous to human health or the environment along with their respective location and approximate quantities, as required by the Hong Kong Convention and detailed in the International Maritime Organization's Guidelines for the development of the Inventory of Hazardous Materials (Resolution MEPC.269 (68)) and/or the Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No. 1013/2006 and Directive 2009/16/EC.

"**Investment**" means any investment in:

1(c) any company or shares (or similar equity investments) or a business or undertaking (or, in each case, any interest in any of them); or

1(d) any drilling unit, rig or vessel (excluding the Drilling Units), including, for the avoidance of doubt, any entry into of a contract for the acquisition of the same.

"**Investment and Acquisition Basket**" means the aggregate amount recalculated in each Compliance Certificate supplied to the Agent with the audited annual consolidated accounts of the Parent which is equal to:

1(e) the lesser of:

1(i) USD 50,000,000 (or its equivalent in any other currency); and

1(ii) the net proceeds of the Hemen Convertible Bond received by the Group; *plus*

1(b) the higher of:

1(i) USD 100,000,000 (or its equivalent in any other currency); and

1(ii) an amount equal to seventy-five per cent. (75%) of RigCo UFCF for the period of twelve (12) months ending on the last day of the financial year of the Parent calculated by reference to its most recent audited annual consolidated accounts (as adjusted to reflect the Accounting Principles applicable to the 2020 Seadrill Financial Statements and as adjusted to determine the applicable RigCo Group financial position in accordance with the corresponding RigCo Group Reconciliation Statement delivered under this Agreement),

provided that prior to the delivery of the first Compliance Certificate relating to the financial year end of the Parent the Investment and Acquisition Basket shall be calculated by the Parent without reference to the amount referred to in paragraph (b)(ii) above.

"**ISM Code**" means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention.

"**ISPS Code**" means the International Ship and Port Facility Security (ISPS) Code as adopted by the International Maritime Organization's (IMO) Diplomatic Conference of December 2002.

"**Junior Obligations Permitted Payments**" means payments from cash or cash deposits held by any member of the RigCo Group to fund:

1(a) subject to the terms of the Intercreditor Agreement, payments of interest and other amounts (excluding principal) due in respect of the Hemen Convertible Bond or any refinancing of the Hemen Convertible Bond which is a Permitted Refinancing;

1(b) payments of interest and other amounts (excluding principal) due in respect of any SDRL Debt Issue;

1(c) payments required to be made by the Parent under any guarantee, indemnity or similar arrangement permitted under:

1(i) paragraph (b) of the definition of "Permitted Non-Recourse Subsidiary Investment"; or

1(ii) paragraph (c) of the definition of "Permitted Non-Recourse Subsidiary Investment",

but in each case only if such guarantee, indemnity or similar arrangement is provided for the benefit of a Non-Recourse Subsidiary that is owned, directly or indirectly, by RigCo and provided that the Parent shall use its reasonable endeavours to procure that the principal obligor meets the primary obligations in respect of which such guarantee has been provided to the extent possible, with funds available to the principal obligor, provided that, for the avoidance of doubt, nothing in this paragraph (c) shall delay or prohibit the Parent from making any payment due under a guarantee which it is satisfied has become legally due and payable under the terms of the relevant documentation; and/or

1(d) fees, costs and expenses incurred by the Parent in connection with any SDRL Equity Issue,

provided that:

1(i) in the case of paragraph (a) above, all amounts referred to therein paid using cash or cash deposits held by any member of the RigCo Group other than interest shall be reimbursed by the Parent to RigCo as soon as reasonably practicable or otherwise shall not exceed USD 1,000,000 in aggregate during the life of the Facility; and

1(ii) in the case of paragraphs (b) to (d) above, all amounts referred to therein paid using cash or cash deposits held by any member of the RigCo Group shall not at any time exceed the sum of:

(A) the proceeds of all SDRL Debt Issues and SDRL Equity Issues that have been advanced or otherwise contributed to the RigCo Group; less

(B) the aggregate amount (without double counting) of the following (made or provided, as applicable, by a member of the RigCo Group) (1) all Acquisitions/Investments in reliance on paragraph (k) of the definition of "Permitted Investment/Acquisition", (2) all Financial Support in reliance on paragraph (h) of the definition of "Permitted Financial Support", (3) all cash collateral in reliance on paragraph (k)(i) of the definition of "Permitted Encumbrances", (4) all Permitted Non-Recourse Subsidiary Investments to the extent funded by the proceeds of a SDRL Debt Issue or SDRL Equity Issue and (5) all Permitted NSNCo Group Investments; *plus*

(C) the amount of any cash proceeds received by a member of the RigCo Group from or in respect of any Acquisition or Investment (including any Acquisition of, or Investment in, a Non-Recourse Subsidiary) made using the proceeds of any SDRL Debt Issue and/or SDRL Equity Issue,

provided that the requirements in this paragraph (ii) may be waived with the consent of the Simple Majority Lenders in respect of any payment in reliance on paragraph (c)(i) above.

"**Legal Reservations**" means:

1(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

1(b) the time barring of claims under the Norwegian Limitation Act of 18 May 1979 or any defences of set-off or counterclaim;

1(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction as those described under paragraphs (a) and (b) above; and

1(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to the Finance Parties under the Finance Documents.

"**Lenders**" means the lenders and financial institutions listed in Schedule 1 (*Lenders and Commitments*), and any New Lender, which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"**Loan(s)**" means the aggregate principal amount of the Facility outstanding under this Agreement from time to time.

"**Lookback Period**" means the number of days specified as such in the applicable Reference Rate Terms.

"**Majority New Money Lenders**" means the New Money Lenders holding more than sixty-six and two thirds per cent (66-2/3%) of the total outstanding principal amounts and commitments under the New Money Facilities.

"**Market Disruption Rate**" means the rate (if any) specified as such in the applicable Reference Rate Terms.

"**Market Value**" means the fair market value of each of the Drilling Units, being the average of valuations of the Drilling Units obtained from two (2) of the Approved Brokers (selected by the Obligors' Agent) within the last thirty (30) days, without physical inspection of the Drilling Units on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing buyer and a willing seller, on an "as is, where is" basis, free of any existing contract of employment and/or similar arrangement and to take into account tangible valuation metrics (including, but not limited to, recent rig sales).

"**Material Adverse Effect**" means a material adverse effect on:

1(e) the financial condition, assets, business or operation of the Obligors taken as a whole, the Group taken as a whole or the RigCo Group taken as a whole;

1(f) the ability of any of the Obligors, the Group taken as a whole or the RigCo Group taken as a whole to perform any of their material obligations under the Finance Documents; or

1(g) the validity or enforceability of, or the effectiveness or ranking of any security granted or purporting to be granted pursuant to any of the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

"**Material IP Rights**" means any Intellectual Property that is material to the business of the Group (taken as a whole) or the conduct of the Group's operations (taken as a whole) from time to time.

"**Month**" means, in relation to an Interest Period (or any other period for the accrual of commission or fees in a currency), a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, subject to adjustment in accordance with the rules specified as Business Day Conventions in the applicable Reference Rate Terms.

"**Mortgages**" means each of the first priority perfected mortgages and any deed of covenants collateral thereto, executed by each of the Drilling Unit Owners against each of the respective Drilling Units in a Ship Registry in favour of the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligors' obligations under the Senior Secured Finance Documents, each to cover an amount of up to USD 1,240,000,000 (to the extent any limitation is required).

"**New Lender**" has the meaning set out in Clause 27 (*Changes to the Parties*).

"**New Money Facilities**" means the "Facilities" under and as defined the New Money Facility Agreement.

"**New Money Facility Agreement**" means the multicurrency term loan and revolving facility agreement entered into on or about the Effective Time between, inter alios, Global Loan Agency Services Limited as facility agent, the Borrower, the Obligors and the New Money Lenders.

"**New Money Finance Documents**" means the "Finance Documents" under and as defined in the New Money Facility Agreement.

"**New Money Finance Parties**" means the "Finance Parties" under and as defined in the New Money Facility Agreement.

"**New Money Lender**" means a "Lender" under and as defined in the New Money Facility Agreement.

"**Non-Cash Consideration**" shall have the meaning given to that term in Clause 8.2 (*Sale or disposal*).

"**Non-Recourse Subsidiary**" means a Subsidiary of the Parent or RigCo which:

1(h) is not an "Obligor" or "Security Provider";

1(i) is not the owner (directly or indirectly) at any time of:

1(i) any Obligor, Security Provider, Seadrill Management or Seadrill Global Services, and provided further that any entity owned (directly or indirectly) by such Non-Recourse Subsidiary must also qualify as a "Non-Recourse Subsidiary"; or

1(ii) any other assets contributed or otherwise transferred by a member of the Group, save for any assets qualifying as a Permitted Non-Recourse Subsidiary Investment;

1(c) does not receive any funding from any member of the Group, save for any funding which constitutes a Permitted Non-Recourse Subsidiary Investment;

1(d) has no claims against any member of the Group, other than (i) against another Non-Recourse Subsidiary, (ii) in respect of any Permitted Non-Recourse Subsidiary Investment made or provided by any member of the Group to such Non-Recourse Subsidiary or (iii) in respect of any transaction (excluding, for the avoidance of doubt, any intra-group loans or the provision of any other funding or Financial Support not constituting a Permitted Non-Recourse Subsidiary Investment from any member of the Group) entered into with any member of the Group in the ordinary course of operations on arm's length terms (as determined by the board of directors of the relevant member of the Group or a member of senior management of the Parent, in each case acting reasonably) and otherwise in compliance with the terms of this Agreement;

1(e) whose creditors do not have any recourse against or any credit support of any kind (including, without limitation, any recourse created by any guarantee, keep well or similar agreement) from any other member of the Group, other than in respect of any Financial Support constituting a Permitted Non-Recourse Subsidiary Investment provided by another member of the Group for the benefit of such Non-Recourse Subsidiary; and

1(f) has been designated by the Parent or RigCo (as applicable) as a "Non-Recourse Subsidiary" and notified to the Agent, such notification to include a confirmation by the board of directors of the Parent or of RigCo (as applicable) that (i) the designation of the relevant Subsidiary complies with the terms set out in paragraphs (a) to (e) above, and (ii) no Default is continuing or is likely to occur as a result of the relevant Subsidiary becoming a Non-Recourse Subsidiary.

"**NSNCo**" means Seadrill New Finance Limited of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda with registration number 53451.

"**NSNCo Group**" means NSNCo and its Subsidiaries from time to time.

"**Obligors**" means the Borrower and the Guarantors, and an "Obligor" means any of them.

"**Obligors' Agent**" means RigCo in its capacity as agent on behalf of the Obligors pursuant to Clause 2.3 (*Obligors' Agent's Authority*).

"**Original Financial Statements**" means the unaudited consolidated opening financial statements of the Parent to be delivered for the Financial Quarter ending 31 March 2022.

"**Party**" means a party to this Agreement (including its successors and permitted transferees).

"**Perfection Requirements**" means the making or procuring of the necessary registrations, filings, endorsements, notarisation, stamping and/or notification of the Security Documents and/or the Security Interests thereunder necessary for the validity, perfection, establishing priority and enforceability thereof, including those contemplated in the Security Documents and the payment of any fees associated therewith.

"**Permitted Cash and Cash Equivalents Collateral Threshold**" means USD 100,000,000 (or its equivalent in other currencies).

"**Permitted Disposal**" means any disposal:

1(g) pursuant to any contractual commitment or agreement existing at the Effective Time and disclosed in writing to the Agent prior to the Effective Time including, without limitation, as part of the arrangements contractually agreed prior to the Effective Time for the Qatar Joint Venture or Sonadrill Joint Venture or the Ship Finance Arrangements and including (regardless of whether contractually committed to or agreed to as at the Effective Time) the bareboat charter of the Drilling Unit West Gemini and the novation of the associated drilling contract with Total Angola in each case to the Sonadrill Joint Venture;

1(h) permitted pursuant to Clause 8.2 (*Sale or disposal*), Clause 8.7 (*Recycling Units*) or Clause 24.11 (*Mergers and demergers*);

1(i) permitted pursuant to Clause 24.16(b);

1(j) in respect of the Seadrill Group only, to another member of the Seadrill Group;

1(k) in respect of the RigCo Group, to another member of the RigCo Group;

1(l) pursuant to a Permitted Group Restructuring;

1(m) of trading stock made by any member of the Group in the ordinary course of business of the disposing entity;

1(n) of assets in exchange for other assets (other than drilling units, rigs, vessels or shares) comparable or superior as to type, value and quality;

1(o) of vehicles, plant and equipment that are redundant or obsolete or otherwise no longer required by the relevant member of the Group for its business or operations, provided that (unless the value of the relevant asset is considered by the relevant member of the Group (acting reasonably) to be de minimis) such disposal is for cash;

1(p) of any capital equipment or spare parts relating to, or to be used in connection with, any drilling unit, rig or vessel (but not any drilling unit, rig or vessel itself) either (i) in exchange for other capital equipment or spare parts required by the member of the Group making the disposal or (ii) pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc;

1(q) which is the application of cash not otherwise prohibited by the terms of the Secured Bank Facilities Agreements;

1(r) which is the granting of any licence of Intellectual Property or lease or licence in each case in the ordinary course of business or otherwise where the board of directors of the Parent (acting reasonably) considers this to be in the best interests of the Group;

1(s) of assets pursuant to the creation of any Security Interest not otherwise prohibited under the terms of the Secured Bank Facilities Agreements;

1(t) which is the granting of any lease, drilling contract, charter, bareboat charter or operating lease, in each case entered into in the ordinary course of business and including any lease or charter (including bareboat charter) entered into with any joint venture or similar arrangement contemplated by and in compliance with Clause 24.21(f) (*Ownership*);

1(u) to give effect to any ownership or joint venture structure contemplated by, and which is in compliance with, Clause 24.21(f) (*Ownership*);

1(v) any disposal of any interest in any joint venture or similar arrangement which was entered into in compliance with Clause 24.21(f) (*Ownership*) or any interest in the Qatar Joint Venture or the Sonadrill Joint Venture where such disposal is made to facilitate or effect the unwinding or termination of such arrangement (other than, for the avoidance of doubt, the disposal of shares or other ownership interest in a Drilling Unit Owner or Intra-Group Charterer);

1(w) of Cash Equivalents for cash or in exchange for other Cash Equivalents;

1(x) of Material IP Rights to another member of the Group provided that the Finance Parties will continue to have the same or substantially equivalent security over such Material IP Right;

1(y) any:

1(i) interest in any Non-Recourse Subsidiary; or

1(ii) minority interest in any entity (other than a member of the Group) that was acquired using the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue in reliance on paragraph (k) of the definition of “Permitted Investment/Acquisition” or in consideration for a SDRL Equity Issue and/or SDRL Debt Issue;

1(t) not permitted by the preceding paragraphs above or paragraph (u) below, and not being a Drilling Unit, Material IP Rights, the shares of any Obligor, Drilling Unit Owner or Security Provider or any asset subject to a Security Interest under the Security Documents provided that:

1(i) the disposal is made on arm's length terms for what the board of directors of the Parent or RigCo (acting reasonably) considers to be fair value; and

1(ii) the net consideration receivable (when aggregated with the net consideration receivable for any other such disposal) does not exceed in any financial year of the Parent an amount equal to USD 10,000,000 (or its equivalent in any other currency); or

1(u) consented to by the Supra Majority Lenders.

"**Permitted Encumbrances**" means:

1(v) any Security Interest existing at the Effective Time or any Security Interest legally required to be created under arrangements existing at the Effective Time and disclosed in writing to the Agent prior to the Effective Time;

1(w) in respect of the Seadrill Group, any Security Interest on any property or assets of a member of the Seadrill Group granted in favour of another member of the Seadrill Group;

1(x) in respect of the RigCo Group, any Security Interest on any property or assets of a member of the RigCo Group granted in favour of another member of the RigCo Group;

1(y) any netting or set-off arrangement entered into by:

1(i) any member of the Seadrill Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Seadrill Group (including as part of any multi-account overdraft, group cash pool or group cash management arrangements); or

1(ii) any member of the RigCo Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the RigCo Group (including as part of any multi-account overdraft, group cash pool or group cash management arrangements);

1(e) any rights of set-off arising in respect of any member of the Group in the ordinary course of its business and not securing Financial Indebtedness;

1(f) any lien arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any member of the Group;

1(g) any Security Interest arising in connection with any unpaid Tax where the Tax is not yet due and payable or where the liability to pay such Tax is being contested in good faith by appropriate proceedings;

1(h) any Security Interest arising under any court order or injunction or for costs arising in connection with any litigation or court proceedings being contested by any member of the Group in good faith;

1(i) any payment or close out netting or set-off arrangement pursuant to any derivative or hedging transaction entered into by any member of the Group constituting Permitted Financial Indebtedness;

1(j) any cash collateral provided under, in respect of or in connection with any counter-indemnity obligation in respect of any letter of credit, bank guarantee or similar provided on behalf of any member of the Group in respect of obligations other than for the repayment of Financial Indebtedness;

1(k) any cash collateral provided under, in respect of or in connection with any counter-indemnity obligation in respect of any letter of credit, bank guarantee or similar not falling within paragraph (j) above which is funded with:

1(i) the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue; or

1(ii) in connection with any letter of credit, bank guarantee or similar provided on behalf of any member of the RigCo Group only, Excess Sales Proceeds permitted to be retained from a sale or disposal of a Drilling Unit or Drilling Unit Owner in accordance with Clause 8.2 (*Sale or disposal*);

1(l) any cash collateral provided under, in respect of or in connection with any counter-indemnity obligation in respect of any Guarantee Facility;

1(m) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to any member of the Group in the ordinary course of business;

1(n) any Security Interest instituted by or arising under any lease, charter or hire purchase arrangement entered into in the ordinary course of business;

1(o) any Drilling Unit Permitted Encumbrance;

1(p) deposits or grants of any other Security Interest to secure the performance of any bid, commercial contract, operational lease, Intellectual Property rights, insurance contract, surety bond, performance bond, import duty or Tax liability or like obligations or to secure any public, statutory or regulatory obligations, in each case incurred in the ordinary course of business;

1(q) any Security Interest securing Financial Indebtedness permitted pursuant to paragraph (z) of the definition of “Permitted Financial Indebtedness” existing on property or assets of any Existing Debt Subsidiary (as defined in the definition of “Permitted Financial Indebtedness”), provided that such Existing Debt Subsidiary and each of its Subsidiaries meets the criteria for designation as a “Non-Recourse Subsidiary” and is promptly designated as such by the Parent or RigCo (as applicable);

1(r) any Security Interest on the property of any member of the Group in favour of the landlord of such property securing licences, subleases or leases (including rental deposits);

1(s) any attachment or judgment Security Interest or Security Interest otherwise arising as a result of legal proceedings and assessments by authorities not constituting an Event of Default;

1(t) any Security Interest created pursuant to the Security Documents;

1(u) any Security Interest over any Recycling Assets granted in accordance with the terms of this Agreement and the Recycling Proceeds Agreement;

1(v) any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements;

1(w) any Security Interest over the shares or other ownership interest in any Non-Recourse Subsidiary to secure Financial Indebtedness of that Non-Recourse Subsidiary and/or any other Non-Recourse Subsidiary;

1(x) any Security Interest incurred in the ordinary course of business arising from the dry-docking or maintenance of drilling unit(s), rig(s) or vessel(s), the furnishing of supplies and bunkers to drilling unit(s), rig(s) or vessel(s) and/or repairs, improvements or other alterations to drilling unit(s), rig(s) or vessel(s), crews' wages, maritime liens and liens for salvage;

1(y) any Security Interest securing Local Facilities (as defined under "Permitted Financial Indebtedness") the outstanding principal amount of which does not exceed in aggregate USD 20,000,000 (or its equivalent in any other currency) at any time;

1(z) any Security Interest on any property or assets of a member of the Group in addition to that permitted under paragraphs (a) to (y) above or paragraph (aa) below, securing Financial Indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Financial Indebtedness which has the benefit of any Security Interest given by any member of the Group (other than any permitted under paragraphs (a) to (y) above or paragraph (aa) below)) does not exceed in aggregate USD 25,000,000 (or its equivalent in any other currency) at any time; or

1(aa) any Security Interest consented to by the Supra Majority Lenders.

"**Permitted Entity**" means any limited liability company, business or undertaking which:

1(ab) is carried on as a going concern where at least fifty point zero one per cent (50.01%) of the voting capital of such company, business or undertaking is acquired pursuant to the relevant Permitted Investment/Acquisition;

1(ac) is incorporated or carries on business in a country which is not a Sanctioned Country, is not the subject of Sanctions and is not established and does not carry on business in any Sanctioned Country or with any person that is the subject of Sanctions;

1(ad) to the knowledge of the Borrower (after due and careful enquiry), has no material contingent liabilities other than those that are permitted under the Finance Documents or are indemnified by the relevant vendor or are insured against or reserved against in the accounts of the entity or business (or a combination of the foregoing), in each case to the satisfaction of the Borrower acting reasonably and in good faith; and

1(ae) is engaged in business which is similar to or complementary to the business of the RigCo Group.

"**Permitted Financial Indebtedness**" means any Financial Indebtedness which:

1(af) is existing at the Effective Time or arises pursuant to any legally binding commitment or arrangement existing or any facility available at the Effective Time, in each case as disclosed in writing to the Agent prior to the Effective Time (including, without limitation, under the Ship Finance Arrangements);

1(ag) in respect of the Seadrill Group only:

1(i) is owed by one member of the Seadrill Group to another member of the Seadrill Group; or

1(ii) any RigCo Upstream Loan, provided that such loans are subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

1(c) in respect of the RigCo Group only, is owed by one member of the RigCo Group to another member of the RigCo Group, provided that such loans are subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

1(d) in respect of RigCo only, any Seadrill Group Downstream Loan, provided that any such loans are subject to an Assignment of Seadrill Group Downstream Loans and subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

1(e) in respect of the Seadrill Group only, is or arises under any obligation in respect of Financial Indebtedness of one or more members of the Seadrill Group which is assumed by or transferred or novated to another member of the Seadrill Group;

1(f) in respect of the RigCo Group only, is or arises under any obligation in respect of Financial Indebtedness of one or more members of the RigCo Group which is assumed by or transferred or novated to another member of the RigCo Group;

1(g) in respect of the Seadrill Group only, arises from any netting, setting off, multi-account overdraft, group cash pool or group cash management arrangements relating only to members of the Seadrill Group;

1(h) in respect of the RigCo Group only, arises from any netting, setting off, multi-account overdraft, group cash pool or group cash management arrangements relating only to members of the RigCo Group;

1(i) is or arises under a guarantee from the Parent for or in respect of any Permitted Financial Indebtedness;

1(j) is outstanding under the Secured Bank Facilities Agreements (in an aggregate principal amount no greater than the amount as at the Effective Time plus any additional amounts expressly permitted under the terms of the Secured Bank Facilities Agreements as at the Effective Time (including any capitalised interest));

1(k) in respect of the Parent only, is outstanding under the Hemen Convertible Bond (as at the Effective Time), provided that the outstanding principal amount thereunder shall not exceed USD 50,000,000;

1(l) in respect of the Parent only, arises pursuant to any SDRL Debt Issue;

1(m) arises pursuant to any Incremental Facility;

1(n) arises pursuant to any Refinancing Facility;

1(o) arises pursuant to any Guarantee Facility;

1(p) arises pursuant to a Permitted Refinancing;

1(q) is an amount of any liability (i) under any advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services, or (ii) arising under any commercial agreement or arrangement by virtue of the extension, deferral, reduction or other variation of payment terms, in each case in the ordinary course of business;

1(r) arises from the endorsement of negotiable instruments in the ordinary course of trading;

1(s) arises under any derivative or hedging transaction which is entered into for hedging purposes and is not of a speculative nature;

1(t) is or arises under or pursuant to any Permitted Financial Support other than pursuant to paragraph (j) of the definition of "Permitted Financial Support";

1(u) arises pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.;

1(v) is owed by a member of the Group to Seadrill Management, Seadrill Global Services, Seadrill Americas, Inc. or Seadrill Insurance in relation to services provided by those companies in the ordinary course of business;

1(w) is pursuant to a facility or facilities entered into in order to manage the business or operations of the Group in a particular jurisdiction (each a "**Local Facility**") and incurred by a member of the Group other than RigCo incorporated, formed or operating in such jurisdiction where the outstanding amount of which does not exceed in aggregate USD 20,000,000 (or its equivalent in any other currency) at any time;

1(x) arising pursuant to any guarantees from a Recycling Unit Owner in relation to the Recycling Assets it holds or any document granting or creating a Security Interest over any such Recycling Asset;

1(y) arises under finance or capital leases of assets entered into by members of the Group, provided that:

1(i) the board of directors of the Parent (acting reasonably) determines that the net present value of the contracted revenue associated with the asset(s) to be

leased exceeds the net present value of all the payments due under the relevant lease (excluding any optional balloon payment at the end of such lease); and

1(ii) in the case of all other assets leased from time to time by the Group in respect of which a determination is not made as described in paragraph (i) above, the aggregate capital value of all such assets under outstanding leases entered into by members of the Group does not exceed USD 25,000,000 (or its equivalent in any other currency) at any time;

1(z) Financial Indebtedness of any person acquired by a member of the Group which is subsisting at the time such person is acquired by a member of the Group (an "**Existing Debt Subsidiary**"), provided that such person and each of its Subsidiaries meets the criteria for designation as a "Non-Recourse Subsidiary" and is promptly designated as such by the Parent or RigCo (as applicable);

1(aa) is Financial Indebtedness of a member of the Group in addition to that permitted under paragraphs (a) to (z) above or paragraph (bb) below, the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Financial Indebtedness of the Group (other than any permitted under paragraphs (a) to (z) above or paragraph (bb) below)) does not exceed in aggregate USD 25,000,000 (or its equivalent in any other currency) at any time; or

1(ab) is consented to by the Supra Majority Lenders.

"**Permitted Financial Support**" means any Financial Support (excluding (i) other than in respect of paragraph (j) below, any Financial Support to a Non-Recourse Subsidiary, and/or (ii) other than in respect of paragraph (k) below, any Financial Support to the NSNCo Group):

1(ac) existing at the Effective Time or that any member of the Group is contractually or otherwise legally obliged to provide as at the Effective Time and disclosed in writing to the Agent prior to the Effective Time (including, without limitation, as part of the arrangements agreed prior to the Effective Time for the Qatar Joint Venture or Sonadrill Joint Venture or the Ship Finance Arrangements) and any refinancing, reissuance or extension of the same or assignment or transfer of any rights therein from a member of the RigCo Group to another member of the RigCo Group provided that the principal amount thereof is not increased and, if the provider of such Financial Support is a member of the Seadrill Group, the provider of such Financial Support continues to be a member of the Seadrill Group;

1(ad) which is a guarantee, indemnity or similar arrangement provided by the Parent in relation to any contractual or other arrangement of any member of the Group entered into in the ordinary course of business;

1(ae) which is a guarantee, indemnity or similar arrangement provided by RigCo in relation to any contractual or other arrangement of any member of the RigCo Group entered into in the ordinary course of business;

1(af) provided for the benefit of any Drilling Unit Owner or Intra-Group Charterer, or otherwise to facilitate or secure the employment of any Drilling Unit, which is a guarantee, indemnity or similar arrangement under or pursuant to any Intra-Group Charterparty or Charter Contract for or in respect of any Drilling Unit or otherwise

provided under the terms of any charter or other agreement or arrangement relating to the employment, use, possession, management, maintenance, improvement or other alteration, storage and/or operation of any Drilling Unit entered into in the ordinary course of business or consistent with past practice;

1(ag) which is provided, procured, created or permitted to subsist in the ordinary course of trading of any member of the Group;

1(ah) arising pursuant to the provision of any administrative, accounting, management or operational services in the ordinary course of business of any member of the Group;

1(ai) arising pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.;

1(aj) funded by the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue;

1(ak) provided for the benefit of a member of the RigCo Group and funded by any Excess Sales Proceeds permitted to be retained from a sale or disposal of a Drilling Unit or Drilling Unit Owner in accordance with Clause 8.2 (*Sale or disposal*);

1(al) pursuant to a Permitted Non-Recourse Subsidiary Investment;

1(am) pursuant to a Permitted NSNCo Group Investment;

1(an) which constitutes a Permitted Investment/Acquisition;

1(ao) which comprises Financial Indebtedness made available by a member of the Group to another member of the Group which is permitted pursuant to Clause 24.14 (*Restrictions on Financial Indebtedness*);

1(ap) not permitted by the preceding paragraphs or paragraph (o) below where the cumulative amount does not exceed USD 25,000,000 (or its equivalent in any other currency) in aggregate for the Group at any time; or

1(aq) consented to by the Supra Majority Lenders.

"**Permitted Group Restructuring**" means:

1(ar) any steps or matters set out in Section 7. Reorganisation Steps – Debt Restructuring in the Transaction Steps Plan;

1(as) any Group Restructuring where:

1(i) if such Group Restructuring affects, directly, any Obligor or Security Provider, the Obligors' Agent has provided the Agent and the Common Security Agent with reasonably detailed information of the proposed Group Restructuring no later than ten (10) Business Days prior to the proposed completion;

1(ii) all of the business, assets (including, for the avoidance of doubt, the Drilling Units and related assets) and shares of (or other interests in) the RigCo Group will continue to be wholly owned (directly or indirectly) by RigCo (excluding, for

the avoidance of doubt, by any Non-Recourse Subsidiary) following completion such Group Restructuring (except, for the avoidance of doubt, as permitted by Clause 24.21(f) (*Ownership*));

1(iii) the Lenders will continue to have the same or substantially equivalent guarantees and security over the same or substantially equivalent assets and shares (including, for the avoidance of doubt, security which provides the Finance Parties with a single point of enforcement over the RigCo Group in an Approved Borrower Jurisdiction) following completion of such Group Restructuring;

1(iv) no Default is continuing or would result from the proposed Group Restructuring;

1(v) in relation to any change of place of incorporation, tax residence or centre of main interest of any member of the Group, the Parent has considered the tax implications of such change (including, where appropriate, with the benefit of external advice) and concluded (acting reasonably and in good faith) that the change will not (A) have a material adverse effect on the tax position of the Group or (B) be otherwise prejudicial in any material respect to the interests of the Lenders under the Finance Documents; and

1(vi) if the relevant member of the Group is an Obligor, the procedures set out in Clauses 27.2 (*Changes to the Borrower*), 27.3 (*Changes to the Guarantors*) and 27.4 (*Release of Guarantors and Security Documents*) are (to the extent applicable to the Permitted Group Restructuring) complied with (including delivery of an executed Accession Letter and/or Borrower Replacement Letter (as applicable) and satisfaction of the other conditions precedent required thereunder),

provided that no Permitted Group Restructuring shall result in an Obligor which is incorporated in an Approved Guarantor Jurisdiction being (or being replaced by a surviving entity) incorporated or having its centre of main interests in a jurisdiction other than (i) in respect of a Guarantor, an Approved Guarantor Jurisdiction, and (ii) in respect of the Borrower or RigCo, an Approved Borrower Jurisdiction.

"**Permitted Investment/Acquisition**" means any Investment or Acquisition (excluding (i) other than in respect of paragraph (h) below, any Investment in or Acquisition of or in respect of any Non-Recourse Subsidiary (excluding any Existing Debt Subsidiary), (ii) other than in respect of paragraphs (h) or (n) below, any Investment in or Acquisition of or in respect of any Existing Debt Subsidiary, provided however that only an initial Acquisition of or in respect of any Existing Debt Subsidiary shall be permitted in reliance on paragraph (n) , and/or (iii) other than in respect of paragraph (i) below, any Investment in or Acquisition in respect of the NSNCo Group):

1(a) which arises pursuant to any legally binding obligation, commitment or arrangement of any member of the Group existing at the Effective Time which was disclosed in writing to the Agent prior to the Effective Time including, without limitation, as part of the arrangements agreed prior to the Effective Time for the Qatar Joint Venture or Sonadrill Joint Venture or the Ship Finance Arrangements;

1(b) in respect of the Seadrill Group, any acquisition from, or of shares or similar equity investments issued by, another member of the Seadrill Group, any investment in another member of the Seadrill Group or any Seadrill Group Downstream Loan;

1(c) in respect of the RigCo Group, any acquisition from, or of shares or similar equity investments issued by, another member of the RigCo Group, any investment in another member of the RigCo Group, provided that any Investment in a non-wholly owned (directly or indirectly) Subsidiary of the RigCo Group shall be subject to the requirements of paragraph (l) below;

1(d) in respect of IHCo, any acquisition of shares or similar equity investments issued by RigCo;

1(e) any incorporation of a company with limited liability which on incorporation becomes a member of the Group or the acquisition of a shelf company having no material assets or liabilities at the time of acquisition;

1(f) of shares in the Parent from any director, officer or other employee of any member of the Group in connection with the termination of that person's employment or repurchase of any options granted in the course of that person's employment;

1(g) pursuant to the operation of any management incentive scheme of the Group or any part thereof from time to time in operation;

1(h) pursuant to a Permitted Non-Recourse Subsidiary Investment;

1(i) pursuant to a Permitted NSNCo Group Investment;

1(j) pursuant to a Permitted Group Restructuring;

1(k) funded by the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue;

1(l) any Acquisition of any interest in, and any Investment in, any joint venture or similar arrangement in compliance with Clause 24.21(f) (*Ownership*) (including any Acquisition or Investment to facilitate the unwinding or termination of such arrangement) and provided that any Investment in a joint venture or similar arrangement under this paragraph (l) is:

1(i) made for the purposes of capitalising and/or financing the activities of that joint venture or similar arrangement; and

1(ii) in an amount which is proportionate to the economic interest acquired by the Group in that joint venture or similar arrangement (including, for this purpose any direct or indirect rights to revenue streams generated by or arising from the activities of that joint venture or arrangement);

1(m) by or in a member of the RigCo Group and funded by any Excess Sales Proceeds permitted to be retained from a sale or disposal of a Drilling Unit or Drilling Unit Owner in accordance with Clause 8.2 (*Sale or disposal*);

1(n) to the extent not falling within paragraphs (a) to (m) above or paragraph (o) below, where the sum of the consideration paid and any liability (whether actual or contingent)

assumed (including any deferred settlement) by any member of the Group in respect of such Investment or Acquisition (when aggregated with the amount of any other Investment or Acquisition entered into pursuant to this paragraph (n)) does not at the time of entering into a legally binding commitment to make such Investment or Acquisition exceed the then applicable Investment and Acquisition Basket and which meets the following conditions:

1(i) no Default is continuing as at the date the Investment or Acquisition is committed to be made or is completed, or would result from the Investment or Acquisition;

1(ii) the board of directors of the Parent (acting reasonably) expects the relevant Investment or Acquisition to generate a positive return on investment during the life of the Investment or Acquisition;

1(iii) if the Investment or Acquisition is of a drilling unit or drilling unit owner, a firm charter contract is in place for such drilling unit or drilling unit owner; and

1(iv) if the Acquisition or Investment is of a limited liability company, business or undertaking, such limited liability company, business or undertaking (the "**Target**") must be:

(A) a Permitted Entity; and

(B) profitable on an EBITDA basis (as determined by reference to the most recent financial information of the Target available to the Group as at the testing date, and with references to "RigCo Group" in the definition of "EBITDA" replaced by references to the Target (on a consolidated basis, if applicable)) for the twelve (12) months ending on the most recent financial quarter of the Target (after taking into account the amount of annual costs savings and synergies that the board of directors of the Parent (acting reasonably) believes would have been realised within eighteen (18) months from the integration of the Target into the business and operations of the RigCo Group); or

1(o) consented to by the Supra Majority Lenders,

provided that in the case of an Investment or Acquisition in accordance with paragraphs (m) and (n) above: (i) any asset invested in or acquired shall (A) be owned (directly or indirectly) by RigCo, and (B) subject to the Security Principles, be pledged as security in favour of the Senior Secured Finance Parties in form and substance satisfactory to the Common Security Agent (acting reasonably); and (ii) subject to the Security Principles and other than any asset of any Existing Debt Subsidiary, to the extent any asset acquired is a drilling unit, rig or vessel, such drilling unit, rig or vessel shall be a "Drilling Unit" and the owner thereof shall be a "Drilling Unit Owner" and be subject to the guarantee and security arrangements contemplated under the Secured Bank Facilities Agreements.

"**Permitted Non-Recourse Subsidiary Investment**" means any Financial Support or investment by the Group to or in a Non-Recourse Subsidiary:

1(p) funded by the proceeds of a SDRL Equity Issue and/or SDRL Debt Issue (including an acquisition of a Non-Recourse Subsidiary funded by such proceeds or made in consideration for a SDRL Equity Issue and/or SDRL Debt Issue);

1(q) comprising the provision by the Parent of any guarantee, indemnity or similar arrangement for the benefit of a Non-Recourse Subsidiary which is customarily provided in relation to any contractual or other arrangement of that Non-Recourse Subsidiary entered into in the ordinary course of operations;

1(r) subject to the consent of the Simple Majority Lenders, comprising the provision by the Parent of any guarantee, indemnity or similar arrangement for the benefit of a Non-Recourse Subsidiary which guarantees or is an indemnity or other similar arrangement in respect of any Financial Indebtedness of that Non-Recourse Subsidiary; or

1(s) to the extent not permitted by the preceding paragraphs, where the cumulative amount does not exceed USD 10,000,000 (or its equivalent in any other currency) in aggregate for the Group at any time and provided that no Default is continuing as at the date the transaction is committed to be made or is completed, or would result from the transaction.

"**Permitted NSNCo Group Investment**" means any Financial Support or Investment by the Group to or in the NSNCo Group funded by the proceeds of a SDRL Equity Issue.

"**Permitted Refinancing**" means a refinancing of the whole or any part of any Financial Indebtedness referred to in paragraphs (a) and (k) of the definition of "Permitted Financial Indebtedness" (including any and all subsequent refinancings of any such Financial Indebtedness) where the Financial Indebtedness incurred:

1(t) is the same type of facility or financial instrument as the relevant Financial Indebtedness to be refinanced;

1(u) is in an aggregate principal amount that does not at any time exceed the aggregate principal amount of the relevant Financial Indebtedness to be refinanced (including, in each case, drawn and undrawn commitments and including the amount of any exit, prepayment, make-whole or other similar fee that is payable pursuant to the refinancing);

1(v) is incurred (and immediately applied) for the sole purpose of refinancing the relevant Financial Indebtedness;

1(w) has the same or lower ranking and security position as the relevant Financial Indebtedness to be refinanced;

1(x) has a final maturity no earlier than the relevant Financial Indebtedness to be refinanced; and

1(y) is subject to the terms of the Intercreditor Agreement, provided however that this condition shall only apply to the extent the relevant Financial Indebtedness to be refinanced is subject to the terms of the Intercreditor Agreement.

"**PIYC Margin**" means 7.5 per cent per annum.

"**PIYC Threshold**" means, in respect of any PIYC Calculation Date, an amount equal to USD 400,000,000 *less* an amount in USD equal to the sum of (without double counting):

1(z) any amounts actually paid by way of consideration or in meeting liabilities assumed by any member of the Group, in each case in respect of any Investment or Acquisition in reliance on paragraph (n) of the definition of "Permitted Investment/Acquisition" *less* the proceeds from the Hemen Convertible Bond to the extent not previously deducted under this paragraph (a) in the calculation of the PIYC Threshold on any PIYC Calculation Date;

1(aa) any amounts actually paid under Financial Support provided by the Group in reliance on paragraph (n) of the definition of "Permitted Financial Support"; and

1(ab) any amounts actually paid under Financial Support or by way of investment provided by the Group in reliance on paragraph (d) of the definition of "Permitted Non-Recourse Subsidiary Investment",

in each case during the period of eighteen (18) months ending on such PIYC Calculation Date.

"**Porting Consideration**" shall have the meaning given to that term in Clause 8.2 (*Sale or disposal*).

"**Private Lender**" has the meaning given to it in Clause 22.14 (*Public Lenders*).

"Private Lender Information" has the meaning given to it in Clause 22.14 (*Public Lenders*).

"**PSA**" shall have the meaning given to that term in the Amendment and Restatement Agreement

"**Public Lender**" has the meaning given to it in Clause 22.14 (*Public Lenders*).

"**Public Lender Information**" has the meaning given to it in Clause 22.14 (*Public Lenders*).

"**Qatar Joint Venture**" means the joint venture with Gulf Drilling International Limited ("**GDI**") which includes the bareboat charter of the Drilling Units named West Tucana, West Castor and West Telesto by their respective Drilling Unit Owners to the joint venture group.

"**Quarter Date**" shall have the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Quiet Enjoyment Letter**" means any letter agreement entered or to be entered into between the Common Security Agent (on behalf of the Senior Secured Finance Parties) and the relevant end-user of a Drilling Unit, if required by the relevant end-user pursuant to the relevant drilling contract, regulating the enforcement of a Mortgage on terms acceptable to the Common Security Agent (acting on the instructions of each of the Required Majority and the Majority New Money Lenders).

"**Recovering Finance Party**" shall have the meaning given to that term in Clause 30.1 (*Payment to Finance Parties*).

"**Recycling Unit Owners**" means each of the owners of the respective Recycling Units as set out in Schedule 4 (*The Recycling Units*).

"**Recycling Units**" means each of the drilling units listed in Schedule 4 (*The Recycling Units*), each of which is owned by the respective Recycling Unit Owner.

"**Reference Rate Supplement**" means a document which:

1(ac) is agreed in writing by the Borrower and the Agent (acting on the instructions of the Required Majority);

1(ad) specifies the relevant terms which are expressed in this Agreement to be determined by reference to Reference Rate Terms; and

1(ae) has been made available to the Borrower and each Finance Party.

"**Reference Rate Terms**" means, in relation to:

1(af) a Loan or an Unpaid Sum;

1(ag) an Interest Period for that Loan or Unpaid Sum (or other period for the accrual of commission or fees); or

1(ah) any term of this Agreement relating to the determination of a rate of interest in relation to such a Loan or Unpaid Sum,

the terms set out (where such terms are set out for different categories of Loan, Unpaid Sum or accrual of commission or fees) for the category of that Loan, Unpaid Sum or accrual, in Schedule 14 (*Reference Rate Terms*) or in any Reference Rate Supplement.

"**Refinancing Facility**" means any additional debt incurred by the Borrower provided that:

1(ai) the aggregate amount of such additional debt does not at any time exceed the amount of outstanding principal amounts and commitments under the Facility at the time of the incurrence of the Refinancing Facility;

1(aj) it is incurred (and immediately applied) for the sole purpose of refinancing the Facility in full;

1(ak) it shall rank pari passu with the Facility;

1(al) it shall not benefit from any guarantees or security other than those provided in favour of the Senior Secured Finance Parties pursuant to the Senior Secured Finance Documents;

1(am) the creditor representative thereunder (if not already party in such capacity) have acceded to the Intercreditor Agreement as a "Creditor Representative"; and

1(an) the all-in-yield (taking into account interest margins, interest rate floors and upfront fees and original issue discount (assuming a three year average life to maturity), but excluding arrangement, underwriting or structuring fees that are not shared with all

lenders), maturity, amortisation, prepayment rights and financial covenants of any such additional debt shall not be more favourable for the creditors of such additional debt than those which apply to the Facility.

"**Related Fund**" means, in relation to a fund (the "first fund"), a fund which is managed or advised by the same investment manager or investment adviser as the first fund, or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Guarantee Portion**" means, in relation to the relevant Drilling Unit(s), an amount equal to A x B/C, where:

A is the aggregate of all outstanding loans and available commitments under the Secured Bank Facilities at the relevant time;

B is the Market Value of the Drilling Unit(s) owned by the relevant Drilling Unit Owner; and

C is the aggregate Market Value of all Drilling Units.

"**Relevant Jurisdiction**" means, in relation to an Obligor:

1(ao) its jurisdiction of incorporation;

1(ap) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;

1(aq) any jurisdiction where it conducts its business; and

1(ar) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Relevant Market**" means the Relevant Market specified as such in the applicable Reference Rate Terms.

"**Relevant Period**" shall have the meaning given to that term in Clause 23.1 (*Financial definitions*).

"**Replacement Borrower**" means an entity being a:

1(as) wholly owned Subsidiary (directly or indirectly) of the Parent and which wholly owns (directly or indirectly) RigCo; or

1(at) wholly owned Subsidiary (directly or indirectly) of RigCo,

in each case which is incorporated in an Approved Borrower Jurisdiction.

"**Reporting Day**" means the day (if any) specified as such in the applicable Reference Rate Terms.

"**Reporting Time**" means the relevant time (if any) specified as such in the applicable Reference Rate Terms.

"**Required Majority**" means the Lenders holding more than sixty-six and two thirds per cent (66-2/3%) of the total outstanding principal amounts and commitments under the Facility.

"**Resignation Letter**" means a letter substantially in the form of the letter set out in Schedule 7 (*Form of Resignation Letter*).

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers.

"**Restricted Party**" means a person that (i) is listed on any Sanctions List, (ii) is domiciled, registered as located or has its main place of business in, or is incorporated under the laws of, a Sanctioned Country, (iii) is directly or indirectly owned more than 50 per cent (50%) by or controlled by a person referred to in (i) and/or (ii) above.

"**Revolving Facility**" shall have the meaning given to that term in the New Money Facility Agreement.

"**RFR**" means the rate specified as such in the applicable Reference Rate Terms.

"**RFR Banking Day**" means any day specified as such in the applicable Reference Rate Terms.

"**RigCo Accounts**" means the accounts with account numbers 8101.49.57936 (USD), 8101.49.57960 (GBP), 8101.49.57987 (NOK) and 8101.49.57928 opened in the name of RigCo with Danske Bank, Norwegian Branch and/or any other account supplementing and/or replacing such accounts.

"**RigCo Account Charges**" means each first priority perfected charge over the RigCo Accounts made between RigCo and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Senior Secured Finance Documents.

"**RigCo Covenant Liquidity**" shall have the meaning given to that term in Clause 23.1 (*Financial Definitions*).

"**RigCo Group**" means RigCo (or any Borrower which wholly owns (directly or indirectly) RigCo) and its Subsidiaries from time to time excluding any Non-Recourse Subsidiary.

"**RigCo Group Minimum Liquidity Requirement**" shall have the meaning given to that term in Clause 23.2 (*RigCo Group Minimum Liquidity*).

"**RigCo Group Reconciliation Statement**" means a document, in the Agreed Format, setting out a balance sheet, income statement and cash flow statement of the RigCo Group (prepared using the financial information from, and Accounting Principles, accounting practices and reference period applied in, the corresponding set of accounts delivered pursuant to Clause 22.1(a)(i) or (ii), as applicable) for the purpose of showing the financial position of the RigCo Group (which for the avoidance of doubt, shall not include any Non-Recourse Subsidiary) as at the end of the Relevant Period.

"**RigCo Ongoing Liquidity**" means the aggregate amount of Cash and Cash Equivalents of the RigCo Group:

1(au) *plus* undrawn and available amounts under the Revolving Facility (for the avoidance of doubt, such amount to be zero at any time the Revolving Facility is not permitted to be utilised pursuant to the terms of the New Money Facility Agreement as a result of default (or otherwise));

1(av) *less* the amount of any:

1(i) SPS (Special Periodic Survey) costs and/or mobilisation costs which are reasonably expected to be applied or are otherwise committed to be applied within 90 days, net of any mobilisation fees related to any Drilling Unit for which any mobilisation costs have been excluded; and

1(ii) drawn Incremental Facility which has not yet been applied towards its permitted purpose; and

1(c) for the purpose of the Cash Sweep only, excluding (i) the amount of any principal and accrued interest payable under this Agreement known on the relevant Cash Sweep Calculation Date to be payable on or before the next Cash Sweep Prepayment Date, and (ii) any Excess Sales Proceeds that have arisen and have not yet been applied by the RigCo Group where the sale or other disposal to which such Excess Sales Proceeds relate occurred not more than six (6) months from the relevant Cash Sweep Calculation Date.

"**RigCo Share Charge**" means the first priority perfected share charge, collateral to the Secured Bank Facilities Agreements, over all the shares, equity interests and/or membership interests (as applicable) of RigCo from time to time, made between IHCo and the Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligor's obligations under the Senior Secured Finance Documents.

"**RigCo UFCF**" means the unlevered free cashflow of the RigCo Group calculated as EBITDA adjusted (without double counting so that no amount added, deducted or excluded in determining EBITDA will be added or deducted again in calculating RigCo UFCF and no amount will be added or deducted more than once in calculating RigCo UFCF):

1(d) by deducting any increase in working capital or adding any decrease in working capital;

1(e) by deducting the amount paid in respect of capital expenditure;

1(f) by deducting the amount paid in respect of reactivation costs except to the extent funded by (i) insurance proceeds or (ii) customer reimbursement or prefunding (however structured);

1(g) by deducting the amount paid or falling due for payment during the relevant period in respect of Taxes;

1(h) by adding the amount of any Tax credit or rebate received in cash; and

1(i) by deducting the amount paid in respect of mobilisation costs.

"**RigCo Upstream Loans**" means any intra-group loan granted by RigCo to any member of the Seadrill Group to fund payments permitted by the terms of this Agreement.

"**Sanctioned Country**" means:

1(j) at the Effective Time, Crimea, Iran, Sudan, Cuba, North Korea, Syria and Burma (Myanmar); and

1(k) any country or territory to the extent that it is or becomes the subject of Sanctions similar to those in force at the date hereof against any of the countries referred to in (a) above.

"**Sanctions**" means the economic sanctions laws and/or regulations imposed by any Sanctions Authority with respect to any country or person.

"**Sanctions Authority**" means the Norwegian State, the United Nations, the European Union, the United Kingdom, the United States of America and any authority acting on behalf of any of them in connection with Sanctions.

"**Sanctions List**" means any list of persons or entities subject to Sanctions published in connection with Sanctions by or on behalf of any Sanctions Authority.

"**SDRL Debt Issue**" means any issue by the Parent after the Effective Time, with the prior written consent of the Simple Majority Lenders, of any unsecured and unguaranteed debt (other than any security or guarantees provided by any Non-Recourse Subsidiary which was acquired using the proceeds of, or paid for with, a SDRL Debt Issue and/or SDRL Equity Issue or any security over any interest in any such Non-Recourse Subsidiary) which has a final maturity date no earlier than the final maturity date of any Secured Bank Facilities Agreement.

"**SDRL Equity Issue**" means any issue by the Parent after the Effective Time of any share or stock (whether or not common, ordinary or preference), warrant or other equity or quasi equity instrument or equity linked instrument to any person which is not a member of the Group.

"**Seadrill Global Services**" means Seadrill Global Services Ltd. of Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda, with registration number 47413 or any other member of the RigCo Group operating any capital equipment or spare parts arrangements from time to time notified to the Agent in accordance with Clause 22.11 (*Drilling Units, Drilling Unit Owners, Intra-Group Charterers and Corporate Structure*).

"**Seadrill Group**" means the Group excluding the RigCo Group and any Non-Recourse Subsidiary.

"**Seadrill Group Downstream Claim**" means any claim above USD 1,000,000 held by a member of the Seadrill Group or any Affiliate thereof against any member of the RigCo Group in accordance with the terms of this Agreement.

"**Seadrill Group Downstream Loan**" means any intra-group loan granted by a member of the Seadrill Group to RigCo in accordance with the terms of this Agreement.

"**Seadrill Insurance**" means Seadrill Insurance Limited of Clarendon House, 2 Church Street, Hamilton HM11, Bermuda with registration number 19993.

"**Seadrill Management**" means Seadrill Management Ltd of 2nd Floor Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS, United Kingdom with registration number 8276358.

"**Seadrill Management Share Charge**" means the first priority share charge over the shares in Seadrill Management (or any other entity performing management services in respect of the Drilling Units as permitted pursuant to the terms of the Secured Bank Facilities Agreements) made between RigCo and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligor's obligations under the Senior Secured Finance Documents.

"**Seadrill Serviços Share Charge**" means the first priority share charge over the shares in Seadrill Serviços de Petróleo Ltda. made between Eastern Drilling AS and Seadrill Offshore AS and the Common Security Agent (on behalf of the Senior Secured Finance Parties) as security for the Obligor's obligations under the Senior Secured Finance Documents.

"**Secured Bank Facilities**" means the Facility and the New Money Facilities, each a "**Secured Bank Facility**".

"**Secured Bank Facilities Agreements**" means this Agreement and the New Money Facility Agreement (each as amended or amended and restated from time to time), each a "**Secured Bank Facilities Agreement**".

"**Secured Obligations**" means the Obligors' obligations and liabilities under the Senior Secured Finance Documents, including (without limitation) the Borrower's obligation to repay the Secured Bank Facilities together with all unpaid interest, default interest, commissions, charges, expenses and any other derived liability whatsoever of the Obligors towards the Senior Secured Finance Parties in connection with the Senior Secured Finance Documents.

"**Security Documents**" means:

1(l) the Mortgages (including any deeds of covenant), subject to contractually agreed Quiet Enjoyment Letters (where required under a drilling contract with a third party);

1(m) the Assignment of Earnings;

1(n) the Assignment of Insurances;

1(o) the Assignments of Seadrill Group Downstream Claims;

1(p) the Assignments of Seadrill Group Downstream Loans;

1(q) the Earnings Account Charges;

1(r) the Cash Sweep Account Charges;

1(s) the RigCo Account Charges;

1(t) the Share Charges;

1(u) the Cash Pool Co Share Charge;

1(v) the RigCo Share Charge;

1(w) the Seadrill Management Share Charge;

1(x) the Seadrill Serviços Share Charge;

1(y) the Floating Charges;

1(z) the Intercreditor Agreement; and

1(aa) all or any security documents as may be entered into from time to time pursuant to Clause 20 (*Security*), Clause 8.2 (*Sale or disposal*) or the definition of "Permitted Investment/Acquisition" in favour of the Common Security Agent (on behalf of the Senior Secured Finance Parties).

"**Security Interest**" means any mortgage, charge (whether fixed or floating), pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect.

"**Security Period**" means the period commencing at the Effective Time and ending the date on which the Agent notifies the Borrower and the other Finance Parties that:

1(ab) all amounts which have become due for payment by the Borrower or any other party under the Finance Documents have been paid;

1(ac) no amount is owing or has accrued (without yet having become due for payment) under any of the Finance Documents;

1(ad) the Borrower has no future or contingent liability under any provision of this Agreement and the other Finance Documents; and

1(ae) there are no Commitments in force.

"**Security Principles**" shall have the meaning given to that term in Clause 20 (*Security*).

"**Security Providers**" means each of IHCo, Seadrill Jack Up Holding Ltd., Seadrill Americas, Inc., Seadrill Sevan Holdings Limited, Sevan Drilling Rig II AS, Scorpion International Ltd., Seadrill Global Services Ltd., Seadrill Management Ltd., Seadrill Europe Management AS, Eastern Drilling AS, Seadrill Offshore AS and any other entity (other than an Obligor) which at any time provides a Security Interest pursuant to any Security Document.

"**Senior Secured Commitments**" means the "Total Commitments" as defined in each Secured Bank Facilities Agreement.

"**Senior Secured Finance Documents**" means the Finance Documents and the New Money Finance Documents.

"**Senior Secured Finance Parties**" means the Finance Parties and the New Money Finance Parties.

"**Senior Secured Lenders**" means the Lenders and the New Money Lenders.

"**Share Charges**" means the first priority perfected share charges over all the shares, equity interest or membership interest (as applicable) in each of the Drilling Unit Owners and the Intra-Group Charterers (provided that such Intra-Group Charterer is a single purpose company) in favour of the Common Security Agent, collateral to the Secured Bank Facilities Agreements as security for the Obligors' obligations under the Senior Secured Finance Documents.

"**Sharing Payment**" shall have the meaning given to that term in Clause 30.1 (*Payment to Finance Parties*).

"**Ship Finance Arrangements**" means:

1(af) the head charter agreement originally dated 7 October 2008 (as amended from time to time) made between SFL Hercules Ltd. as owner and Seadrill Offshore AS as charterer relating to the lease of the West Hercules drilling unit, related security agreements and each of the guarantees provided by the Parent, RigCo and Cash Pool Co as guarantors in relation thereto; and

1(ag) the head charter agreement dated on or about the Effective Time made between SFL Linus Ltd. as owner and Seadrill Offshore AS as charterer relating to the lease of the West Linus drilling unit, related security arrangements, sub-charter and each of the guarantees provided by the Parent, RigCo and Cash Pool Co in relation thereto (including the performance guarantee provided by the Parent in respect of the drilling contract for West Linus).

"**Ship Registry**" means the ship registry of Panama, Norway, Singapore, Bahamas, an Acceptable Ship Registry or such other ship registry as consented to by the Lenders in accordance with Clause 25.14 (*Ship Registry, name and flag*).

"**Simple Majority Lenders**" means the Senior Secured Lenders holding more than 50% of the total outstanding principal amounts and commitments across the Secured Bank Facilities Agreements (as determined in accordance with the terms of the relevant Secured Bank Facilities Agreement).

"**Simple Majority RFA/NMFA Lenders**" means each of (i) the Lenders holding more than 50% of the total outstanding principal amounts and commitments under the Facility, and (ii) the New Money Lenders holding more than 50% of the total outstanding principal amounts and commitments under the New Money Facility Agreement (in each case as determined in accordance with the terms of the relevant Secured Bank Facilities Agreement).

"**Sonadrill Joint Venture**" means the joint venture with Empresa de Serviços e Sondagens de Angola Lda which, inter alia, requires the bareboat charter of two Drilling Units (intended to comprise the Drilling Unit named West Gemini and a further Drilling Unit to be identified by the Parent) to the joint venture group.

"**Structural Permitted Payments**" means payments from cash or cash deposits held by any member of the RigCo Group to fund:

1(ah) payments made on arm's length terms for services or goods provided;

1(ai) payments made to meet corporate, administration, Tax, employment, pensions, IT, listing and property costs and expenses and other payments arising in the ordinary course of business of the Seadrill Group;

1(aj) payments in respect of insurance arrangements of the Group;

1(ak) payments made to meet regulatory or legal obligations or requirements of the Group;

1(al) payments made by Seadrill Global Services and/or Seadrill Americas, Inc. consistent with the ordinary course of its business in operating any capital equipment and spare parts arrangements and consistent with the basis on which it was operated as at the Effective Time;

1(am) payments made by Seadrill Management consistent with the basis on which it was operated as at the Effective Time (including payments in relation to directors' service payments, employee salaries and pensions payments);

1(an) payments made by Seadrill Insurance consistent with the basis on which it was operated as at the Effective Time;

1(ao) payments made to meet payment obligations of members of the Seadrill Group either existing at the Effective Time or arising under committed arrangements existing at the Effective Time and disclosed to the Agent prior to the Effective Time (but in each case not including Junior Obligations Permitted Payments); and

1(ap) payments due under guarantees, indemnities or similar arrangements granted by the Parent in relation to the business or operations of the RigCo Group and constituting Permitted Financial Support, provided that the Parent shall use its reasonable endeavours to procure that the principal obligor meets the primary obligations in respect of which such guarantee has been called to the extent possible, with funds available to the principal obligor, provided that, for the avoidance of doubt, nothing in this paragraph (i) shall delay or prohibit the Parent from making any payment due under a guarantee which it is satisfied has become legally due and payable under the terms of the relevant documentation.

"**Subsidiary**" means an entity from time to time of which a person:

1(aq) has direct or indirect control; or

1(ar) owns directly or indirectly more than fifty per cent (50%) (votes and/or capital).

For the purpose of paragraph (a) above, an entity shall be treated as being controlled by a person if that person is able to direct its affairs and/or control the majority composition of its board of directors or equivalent body.

"**Supra Majority Lenders**" means the Senior Secured Lenders holding more than sixty-six and two thirds per cent. (66-2/3%) of the total outstanding principal amounts and commitments across the Secured Bank Facilities Agreements (as determined in accordance with the terms of the relevant Secured Bank Facilities Agreement).

"**Supra Majority Lenders Matters**" shall have the meaning given to that term in Clause 35.4.3 (Supra Majority Lenders matters).

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and "Taxes" and "Taxation" shall be construed accordingly.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax on Overall Net Income**" means a Tax liability imposed on a Finance Party by the jurisdiction under the laws of which it is incorporated, or in which it is located or treated as resident for tax purposes, (or, in each case, any political subdivision thereof), or under the laws of the jurisdiction (or any political subdivision thereof) in which that Finance Party's Facility Office or other permanent establishment or other taxable presence is located in respect of amounts received or receivable in that jurisdiction, in each case if such Tax liability is imposed on or calculated by reference to:

1(as) the net income, profits or gains of that Finance Party worldwide;

1(at) such of the net income, profits or gains of that Finance Party as are considered to arise in or relate to or are taxable in that jurisdiction; or

1(au) if such tax is a franchise Tax (imposed in lieu of net income Tax) or a branch profits or similar Tax.

"**Term Loan Facility**" shall have the meaning given to that term in the New Money Facility Agreement.

"**Total Commitments**" means the Commitment, being USD 682,992,430 at the Effective Time, and as further set out in Schedule 1 (*Lenders and Commitments*).

"**Total Loss**" means, in relation to any of the Drilling Units:

1(av) the actual, constructive, compromised, agreed, arranged or other total loss of such Drilling Unit; and/or

1(aw) any hijacking, piracy, theft, condemnation, capture, seizure, destruction, abandonment, arrest, expropriation or confiscation, or requisition or acquisition of such Drilling Unit, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a governmental or official authority (excluding a requisition for hire for a fixed period not exceeding one (1) year without any right to extension) unless it is within one (1) month from the Total Loss Date redelivered to the full control of the relevant Drilling Unit Owner or any of the Guarantors.

"**Total Loss Date**" means:

1(ax) in the case of an actual total loss of any of the Drilling Unit, the date on which it occurred or, if that is unknown, the date when such Drilling Unit was last heard of;

1(ay) in the case of a constructive, compromised, agreed or arranged total loss of any of the Drilling Units, the earlier of:

1(i) the date on which a notice of abandonment is given to the insurers (provided a claim for total loss is admitted by such insurers) or, if such insurers do not forthwith admit such a claim, at the date at which either a total loss is subsequently admitted by the insurers or a total loss is subsequently adjudged by a competent court of law or arbitration panel to have occurred or, if earlier, the date falling six (6) months after notice of abandonment of such Drilling Unit was given to the insurers; and

1(ii) the date of compromise, arrangement or agreement made by or on behalf of the relevant Drilling Unit Owners with the relevant Drilling Unit's insurers in which the insurers agree to treat such Drilling Unit as a total loss; or

1(c) in the case of any other type of total loss, on the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred.

"**Transaction Security**" means the Security Interests created or expressed to be created in favour of the Common Security Agent (on behalf of the Senior Secured Finance Parties) pursuant to the Security Documents.

"**Transaction Steps Plan**" means the steps plan dated 27 January 2022 and prepared by Ernst & Young LLP on behalf of the Group, setting out the various transactions and related steps required in order to prepare the Group for, or as part of, the transactions contemplated by this Agreement.

"**Transfer Certificate**" means a certificate substantially in the form as set out in Schedule 9 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Obligors' Agent.

"**Transfer Date**" means, in respect of a Transfer (as defined in Clause 27.5 (*Assignments and transfers by the Lenders*)) the later of:

1(d) the proposed Transfer Date as set out in the Transfer Certificate relating to the Transfer; and

1(e) the date on which the Agent executes the Transfer Certificate.

"**UK Bail-In Legislation**" means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"**Unpaid Sum**" means any sum due and payable but unpaid by the Borrower under the Finance Documents.

"**US Bankruptcy Code**" means Title 11 of The United States Code (entitled "Bankruptcy"), as amended from time to time and as now or hereafter in effect, or any successor thereto.

"**USD**" or "US dollars" means the lawful currency of the United States of America.

"**Utilisation**" means the utilisation of a Loan.

"**VAT**" means:

1(f) any value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto;

1(g) any Tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

1(h) any other Tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

"**Write-down and Conversion Powers**" means:

1(i) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

1(j) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

1(k) in relation to any other applicable Bail-In Legislation:

1(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

1(ii) any similar or analogous powers under that Bail-In Legislation.

1.2 Construction

In this Agreement, unless the context otherwise requires:

(a) Clause and Schedule headings are for ease of reference only;

(b) words denoting the singular number shall include the plural and vice versa;

(c) references to Clauses and Schedules are references, respectively, to the clauses of and schedules to this Agreement;

(d) a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement;

(e) references to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;

(f) references to the "**Agent**", the "**Common Security Agent**" any "**Drilling Unit Owner**", any "**Intra-Group Charterer**", any "**Finance Party**", any "**Lender**", any "**Obligor**", any "**Party**", or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Agent, any person for the time being appointed as Agent in accordance with the Finance Documents;

(g) a Lender's "**cost of funds**" in relation to its participation in a Loan is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in that Loan for a period equal in length to the Interest Period of that Loan;

(h) references to "**control**" means the power to appoint a majority of the board of directors or to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise;

(i) references to "**Finance Document**", "**drilling contract**", "**Charter Contract**", "**Intra-Group Charterparty**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(j) references to "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(k) references to a "**person**" shall include any individual, firm, partnership, joint venture, company, corporation, trust, fund, body, corporate, unincorporated body of persons, or any state or any agency of a state or association (whether or not having separate legal personality);

(l) a Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "continuing" if it has not been remedied or waived;

(m) the representations and warranties and covenants given in Clauses 21.22 (*Sanctions*), 24.2 (*Compliance with laws and sanctions*) and 24.24 (*Sanctions*) respectively shall not apply for the benefit of a Finance Party who notifies the Agent to this effect if and to the extent that it is or would be unenforceable by or in respect of that Finance Party by reason of any violation of, conflict with or liability of section 7 of the German Foreign Trade Regulation (Außenwirtschaftsverodnung) (in conjunction with section 4, paragraph 1a, no.3 foreign trade law (AWG) (Außenwirtschaftsgesetz)), any provision of Council Regulation (EC) 2271/1996 (in conjunction with Commission Delegated Regulation EU 2018/1100) or any similar anti-boycott laws or regulation by that Finance Party;

(n) a reference in this Agreement to a page or screen of an information service displaying a rate shall include:

(i) any replacement page of that information service which displays that rate; and

(ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Agent after consultation with the Borrower;

(o) a reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate;

(p) any Reference Rate Supplement overrides anything in:

(i) Schedule 14 (*Reference Rate Terms*); or

(ii) any earlier Reference Rate Supplement;

(q) a Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:

(i) Schedule 15 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 16 (*Cumulative Compounded RFR Rate*), as the case may be; or

(ii) any earlier Compounding Methodology Supplement; and

(r) the determination of the extent to which a rate is "for a period equal in length" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

1.3 Non-applicable provisions between the Obligors and German Lenders

(a) To the extent a Finance Party resident in Germany ("Inländer") within the meaning of Section 2 Paragraph 15 of the AWV and therefore subject to Section 7 of the AWV would not be permitted to make a representation or grant an undertaking (to be) made or (to be) granted by an Obligor with respect to Sanctions under any of the Finance Documents, such Finance Party shall not, in the event of a breach by an Obligor of any such representation or undertaking be entitled to invoke or declare an Event of Default or vote for a cancellation of the Total Commitments and immediate repayment of the Loan in accordance with Clause 26.17 (*Acceleration*).

(b) The representations and undertakings in Clauses 21.22 (*Sanctions*), 24.2 (*Compliance with laws and sanctions*) and 24.24 (*Sanctions*), and the mandatory prepayment set out in Clause 8.4 (*Sanctions*) in favour of or to any Inländer are granted only to the extent that such Finance Party would be permitted to make such representations or undertakings or carry out such prepayment pursuant to Section 7 of the AWV. As a consequence, a Finance Party resident in Germany may not vote in favour of the Agent exercising any rights as set out in these Clauses if an Event of Default occurs solely as a result of misrepresentation of such representations or breach of such covenants which are not made or given for the benefit of the Finance Party resident in Germany

and, for the purposes of ascertaining the Required Majority or whether any percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained in respect of such vote, such Lenders' Commitments and/or party of the Loan will be deemed to be zero for the purposes of such vote.

1.4 Intercreditor Agreement

In the event of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower, from the Effective Time, a term loan facility in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Finance Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from any of the Obligors shall be a separate and independent debt. A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 Obligors' Agent's Authority

(a) Each Obligor (other than the Obligors' Agent), by its execution of this Agreement or an Accession Letter, irrevocably authorises the Obligors' Agent to act on its behalf as its agent in relation to the Finance Documents and authorises:

(i) the Obligors' Agent, on its behalf, to supply all information concerning itself, its financial condition and otherwise to the Finance Parties as contemplated under this Agreement and to give all notices and instruction to be given by such Obligor under the Finance Documents, to execute, on its behalf, any Finance Document and to enter into any agreement and amendment in connection with the Finance Documents (however fundamental and notwithstanding any increase in obligations of or other effect on an Obligor) including confirmation of Guarantee Obligations in connection with any amendment or consent in relation to the Facility, without further reference to or the consent of such Obligor, and each Obligor shall be obliged to confirm such authority in writing upon the request of the Agent; and

(ii) each Finance Party to give any notice, demand or other communication to be given to or served on such Obligor pursuant to the Finance Documents to the Obligors' Agent on its behalf, and in each such case such Obligor will be bound thereby (and shall be deemed to have given/received notice thereof) as though such Obligor itself had been given such notice and instructions, executed such agreement or received any such notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, waiver, notice or other communication given or made by the Obligors' Agent under this Agreement, or in connection with this Agreement (whether or not known to any Obligor) shall be binding for all purposes on all other Obligors as if the other Obligors had expressly made, given or concurred with the same. In the event of any conflict between any notice or other communication of the Obligors' Agent and any other Obligor, the choice of the Obligors' Agent shall prevail.

3. PURPOSE

3.1 Purpose

(a) The purpose of this Agreement is to reinstate the Existing Facilities in an aggregate amount equal to the Total Commitments.

(b) From the Effective Time all amounts borrowed under the Facility shall be deemed fully drawn by the Borrower and applied towards the purpose originally set forth in the relevant Existing Facilities Agreement.

3.2 Monitoring

Without prejudice to the obligations of the Borrower under this Clause 3, no Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS PRECEDENT

4.1 Conditions Precedent

The Finance Parties' obligations under this Agreement will only become effective once the Agent has received originals or certified copies of all of the documents and other evidence listed in Schedule 5 to the Amendment and Restatement Agreement, in form and substance satisfactory to (i) other than in the case of the Base Case Model, the CoCom and the Ad Hoc Group in accordance with, and as defined in, the Plan (as defined in the Amendment and Restatement Agreement), or (ii) in the case of the Base Case Model, those members of the CoCom and the Ad Hoc Group who have notified the Agent (with a copy to the Obligors' Agent) in writing that they are or intend to be Private Lenders and accordingly wish to receive and access Private Lender Information, and the Effective Time has occurred.

4.2 Waiver of conditions precedent and conditions subsequent

The conditions specified in this Clause 4 are solely for the benefit of the Finance Parties and may be waived on their behalf in whole or in part and with or without conditions by the Agent (acting on the instructions of the Required Majority unless it is a non-material matter of administrative or technical character where the Agent may act in its sole discretion), save for conditions which are specified in Clause 35.4.2 (*All Lender matters*) which will be subject to consent from all the Lenders. The Finance Parties shall be notified by the Agent of a waiver granted pursuant to this Clause 4.

5. UTILISATION

5.1 Deemed Utilisation of the Facility

As at the Effective Time, the Facility will, subject to the terms of this Agreement, be deemed to have been utilised in full and the Loan (in an aggregate amount equal to the Total Commitments) will be deemed to have been advanced to the Borrower, without the Lenders

being required to advance, or advancing, any funds to the Borrower or making any such amounts available to the Agent for the account of the Borrower.

6. REPAYMENT

6.1 Scheduled Repayments

The Borrower shall repay the Facility by consecutive quarterly repayments as set out in Schedule 10 (*Repayments*).

6.2 Final repayment

On the Final Maturity Date the Borrower shall repay all Loans and all other outstanding amounts under the Facility in full, together with all other sums due and outstanding under the Finance Documents at such date (if any).

7. VOLUNTARY PREPAYMENT AND CANCELLATION

7.1 Voluntary prepayment - general

Subject to Clause 7.2 (*Voluntary prepayment – Refinancing*) and Clause 7.4.6 (*Application*), the Borrower may, if it gives the Agent not less than five (5) RFR Banking Days' (or such shorter period as the Required Majority may agree) prior written notice prepay the whole or any part of the Facility (but if in part: in a minimum amount of USD five million (USD 5,000,000), or in integral multiples of USD five million (5,000,000), or in each case such lesser amount as is acceptable to the Agent).

7.2 Voluntary prepayment - Refinancing

The Facility may be prepaid in full with the proceeds from a Refinancing Facility.

7.3 Voluntary cancellation

The Borrower may, by giving the Agent not less than three (3) Business Days' prior written notice, permanently reduce, cancel or terminate all or part of the unutilised portions of the Facility (but if in part, in a minimum amount of USD five million (5,000,000) or in integral multiples of USD five million (5,000,000)).

7.4 Terms and conditions for voluntary prepayments and cancellation

7.4.1 Irrevocable notice

Any notice of prepayment or cancellation by the Borrower under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date upon which the prepayment or cancellation is to be made and the amount of the prepayment or cancellation.

7.4.2 Additional payments

(a) Upon any reduction/cancellation of the Commitments under this Clause 7, the Borrower shall repay the Loan by an amount sufficient to ensure that the total aggregate amount of the Loan shall constitute no more than the amount of the Available Commitment following the relevant reduction/cancellation, such repayment to be made no later than on the day that the relevant reduction/cancellation becomes effective.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to the exit fee pursuant to Clause 13.1 (*Exit fee*) and any Break Costs pursuant to Clause 12.4 (*Break Costs*), without premium or penalty.

7.4.3 Time of prepayment and cancellation

The Borrower shall not repay or prepay all or any part of the Facility or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

7.4.4 No reinstatement

(a) No amount of the Commitments cancelled under this Agreement may subsequently be reinstated. The Borrower may not utilise any part of the Facility which has been cancelled.

(b) Any amount of the Facility repaid or prepaid may not be re-borrowed.

7.4.5 Forwarding of notice of prepayment and cancellation

If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to the Lenders.

7.4.6 Application

Any voluntary cancellation and/or prepayment made pursuant to this Clause 7 shall be applied towards the Facility, pro rata against the scheduled repayments.

7.5 Amended Repayment Schedule

Upon any prepayment or cancellation the Agent shall, if applicable, replace Schedule 10 (*Repayments*) with an amended and new repayment and reduction schedule reflecting the correct scheduled amounts and provide a copy to the Borrower and the Lenders thereof.

8. MANDATORY PREPAYMENT AND CANCELLATION

8.1 Total Loss

If a Drilling Unit suffers a Total Loss, the loans outstanding under the Secured Bank Facilities shall be prepaid on the Disposal Reduction Date in an amount equal to the Disposal Reduction Amount in accordance with the Asset Sale Waterfall.

8.2 Sale or disposal

8.2.1 Sale or disposal - conditions

(a) Subject to the terms of this Clause 8.2, a Drilling Unit or Drilling Unit Owner may be sold or otherwise disposed of for at least fair market value to a person that is not a member of the RigCo Group (but excluding any sale or disposal in accordance with Clause 24.21(f) (*Ownership*) which will instead be governed by that Clause) (a "**Disposal**") in return for consideration in the form of:

(i) cash ("**Cash Consideration**");

(ii) non-cash consideration (including any seller's credit) other than as referred to in paragraph (iii) below ("**Non-Cash Consideration**"); and/or

(iii) Commitments in an amount not more than the Reinstated Facility Pro Rata Portion of the applicable Disposal Reduction Amount (the "**Porting Amount**") being (A) transferred (on a pro rata basis for the Lenders) to the buyer of the relevant Drilling Unit or Drilling Unit Owner, or (B) cancelled in return for the

Lenders receiving (on a pro rata basis) debt in the buyer of the relevant Drilling Unit or Drilling Unit Owner (each of (A) and (B), "**Porting Consideration**"),

(together "**Consideration**").

(b) A Disposal may only be effectuated if:

(i) the aggregate Consideration received is equal to or greater than the applicable Disposal Reduction Amount;

(ii) in case of a Disposal for Cash Consideration in whole or in part, Cash Consideration in an amount equal to the applicable Disposal Reduction Amount (less the value of any permitted Non-Cash Consideration and/or any permitted Porting Amount) is applied in accordance with the Asset Sale Waterfall on the Disposal Reduction Date;

(iii) in case of a Disposal for Non-Cash Consideration in whole or in part, any such Non-Cash Consideration is:

(A) approved by the Supra Majority Lenders;

(B) not subject to any disposal restrictions (other than pursuant to the Secured Bank Facilities Agreements); and

(C) pledged as security in favour of the Senior Secured Finance Parties under Security Documents in form and substance satisfactory to the Common Security Agent, provided, however, that to the extent any Non-Cash Consideration is a drilling unit, rig or vessel, such drilling unit, rig or vessel shall be deemed a "Drilling Unit" and the owner thereof a "Drilling Unit Owner" and such Drilling Unit and Drilling Unit Owner shall be subject to the guarantee and security arrangements contemplated in respect of other Drilling Units and Drilling Unit Owners under the Secured Bank Facilities Agreements; and

(iv) in case of a Disposal for partial Porting Consideration:

(A) the relevant Disposal (including the terms of the Porting Consideration) is approved by all of the Lenders; and

(B) the Obligors' Agent has provided evidence to the Agent that the Asset Coverage Threshold (calculated pro forma for the relevant Disposal and any related prepayment and Porting Consideration) will be met immediately following completion of the relevant Disposal.

(c) Any Disposal that does not comply with the terms in paragraph (a) and (b) above requires the consent of the Supra Majority Lenders, provided that any waiver or deviation from the requirements relating to a Disposal for Porting Consideration requires the consent of the Lenders.

(d) Each Finance Party irrevocably authorises, empowers and instructs the Common Security Agent to execute any documentation (in form and substance reasonably

satisfactory to the Common Security Agent) required to create and perfect the security necessary to comply with the conditions set out in paragraph (b)(iii)(C) above.

(e) Any Intra-Group Charterer, Charter Contract and/or other agreement or arrangement relating to the employment, use, possession, management, maintenance, improvement or other alteration, storage and/or operation of any Drilling Unit which is the subject of a disposal pursuant to this Clause 8.2 or is owned by a Drilling Unit Owner which is the subject of a disposal pursuant to this Clause 8.2 (a "**Relevant Drilling Unit**") may be sold or otherwise disposed of in conjunction with that Relevant Drilling Unit (or those Relevant Drilling Units if there is more than one) and any sale proceeds therefrom shall, for the purposes of this Clause 8.2, be treated as the sale proceeds of the relevant Drilling Unit(s) or Drilling Unit Owner (as applicable), provided that:

(i) in the case of an Intra-Group Charterer, its operations and assets relate solely to a Relevant Drilling Unit;

(ii) in the case of any Charter Contract and any other agreement or arrangement referred to in this paragraph (e), such Charter Contract or other agreement or arrangement does not relate to the charter, employment, use, possession, management, maintenance, improvement or other alteration, storage and/or operation of any Drilling Unit other than a Relevant Drilling Unit; and

(iii) the fair market value to be obtained for the disposal of the Relevant Drilling Unit(s) reflects the value (if any) attributed by the disposing entity to the relevant Intra-Group Charterer, Charter Contract and/or other agreement or arrangement referred to in this paragraph (e) (as applicable).

8.2.2 Sale or disposal - administrative provisions

(a) For the avoidance of doubt, and without limiting Clause 8.2.1, to the extent any Disposal results in the full prepayment in cash and cancellation of a Secured Bank Facility, no consent will be required from the Senior Secured Lenders under that Secured Bank Facility.

(b) Notwithstanding anything to the contrary in this Clause 8.2, to the extent any Lender would be prohibited from extending any credit to the buyer of any Drilling Unit or Drilling Unit Owner by reason of any law or regulation applicable to it (including but not limited to Sanctions) such Lender shall have the right to demand repayment in cash of its Commitment that would otherwise have been Porting Consideration.

(c) In case of a Disposal in accordance with this Clause 8.2, the Common Security Agent shall release (i) any Security Documents relating to the relevant Drilling Unit and/or Drilling Unit Owner and/or Intra-Group Charterer of such Drilling Unit and (ii) the relevant Drilling Unit Owner and/or Intra-Group Charterer (as applicable) from its obligations as Guarantor under the Secured Bank Facilities Agreements, in each case in accordance with Clause 27.4 (*Release of Guarantors and Security Documents*).

8.2.3 Future consideration or proceeds from Non-Cash Consideration

(a) Any future cash consideration from a disposal or realisation of any Non-Cash Consideration shall be applied in accordance with the Asset Sale Waterfall:

(i) in respect of Non-Cash Consideration in form of a Drilling Unit (a "**Replacement Drilling Unit**"), in an amount up to the higher of (A) the Disposal Reduction Amount applicable for the Drilling Unit for which such Replacement Drilling Unit was received (taking into account any amount already applied in prepayment towards the Disposal Reduction Amount), and (B) the Disposal Reduction Amount for the Replacement Drilling Unit; and

(ii) in respect of any other form of Non-Cash Consideration, in an amount up the Disposal Reduction Amount applicable for the Drilling Unit for which such Non-Cash Consideration was received (taking into account any amount already applied in prepayment towards the Disposal Reduction Amount).

8.2.4 Sale or disposal - definitions

For the purpose of this Clause 8 (M*andatory Prepayment and Cancellation*) the following definitions shall apply:

"**Asset Sale Waterfall**" means:

(i) first, and only to the extent the Asset Coverage Threshold (calculated on a pro forma basis for the relevant Disposal or Total Loss and, in case of a Disposal, taking into account any Cash Consideration in excess of the applicable Disposal Reduction Amount which constitutes Cash and Cash Equivalents of the RigCo Group) (the "**Pro Forma Asset Coverage Threshold**") is not met, towards prepayment (and cancellation of an equivalent amount of commitments) of any drawn amounts under the New Money Facilities (pro rata between drawn amounts under the Term Loan Facility and the Revolving Facility) until the Pro Forma Asset Coverage Threshold is met;

(ii) second, and only to the extent the Pro Forma Asset Coverage Threshold is not met following the prepayments pursuant to paragraph (i) above, towards prepayment (and cancellation of an equivalent amount of commitments) and/or cancellation of any remaining amounts under the New Money Facilities (pro-rata between the Term Loan Facility and the Revolving Facility) until the Pro Forma Asset Coverage Threshold is met; and

(iii) third, towards prepayment of the Facility.

"**Disposal Reduction Amount**" means, with respect to a Drilling Unit or Drilling Unit Owner, the amount equal to the Relevant Guarantee Portion in respect of such Drilling Unit or the Drilling Unit(s) owned by such Drilling Unit Owner.

"**Disposal Reduction Date**" means, in relation to a Drilling Unit or Drilling Unit Owner:

(i) where such Drilling Unit has become a Total Loss, the date which is the earlier of the date the Disposal Reduction Amount is available and one hundred and twenty (120) days after such Drilling Unit became a Total Loss; or

(ii) where such Drilling Unit or Drilling Unit Owner is sold or otherwise disposed of (directly or indirectly through a sale of the Drilling Unit Owner), the date upon which the sale or disposal of such Drilling Unit or Drilling Unit Owner is completed.

"**Reinstated Facility Pro Rata Portion**" means a percentage equal to the proportion that the aggregate of all outstanding loans and available commitments under the Facility bear to the aggregate of all outstanding loans and available commitments under the Secured Bank Facilities (A / B x 100, and where A is the aggregate of all outstanding loans and available commitments under the Facility at the time and B is the aggregate of all outstanding loans and available commitments under the Secured Bank Facilities at the time).

8.3 Illegality

If it becomes unlawful under any law, regulation, treaty or of any directive of any monetary authority (whether or not having the force of law) in any applicable jurisdiction, for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in a Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) the Agent shall promptly notify the Borrower (specifying the obligations the performance of which is thereby rendered unlawful and the law giving rise to the same) upon receipt of notification in accordance with paragraph (a) above;

(c) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately reduced to zero and cancelled; and

(d) the Borrower shall repay that Lender's participation in the relevant loans on the last day of the Interest Period occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

8.4 Sanctions

(a) Subject to paragraph (b) below, upon the occurrence of any Obligor or any Subsidiary of any Obligor being in breach of Sanctions (including non-compliance with Clause 24.2(b) and Clause 24.24 (*Sanctions*)) or becoming a Restricted Party, and such event remains unremedied (if capable of being remedied);

(i) each Lender shall have the right to demand by written notice to the Agent that its Commitment is cancelled and that its participation in the Loans and all other amounts outstanding and owed to it under the Finance Documents are repaid;

(ii) the Agent shall promptly notify the Borrower upon receipt of a notification in accordance with paragraph (i) above; and

(iii) on the date that is ten (10) Business Day's after prior written notice by the Agent to the Borrower, the relevant Lenders' Commitment shall be reduced to zero and cancelled and the Borrower shall repay that Lenders' participation the Loans and all other amounts outstanding and owed to such Lender under the Finance Documents.

(b) Where a breach of Sanctions occurs in relation to one Drilling Unit only, without Sanctions being imposed on the remaining Obligors, each Lender will only have the

right to demand payment in accordance with paragraph (a) above of its pro rata portion of the Relevant Guarantee Portion.

8.5 Change of control

(a) For the purpose of this Clause 8.5, a "Change of Control" occurs if:

(i) any person or group of persons acting in concert, obtains (A) more than fifty per cent (50%) of the voting rights or share capital of the Parent or (B) the ability to otherwise control the appointment of a majority of the members of the board of directors of the Parent; or

(ii) all or substantially all of the Group's assets (as measured by asset valuations or other fair market value determinations) are sold or otherwise disposed of (whether voluntary or involuntary) in a single transaction or a series of transactions (whether related or not).

(b) Subject to paragraph (c) below, upon the occurrence of a Change of Control, the Total Commitments shall be cancelled and all Loans and other amounts outstanding under the Finance Documents shall be prepaid within sixty (60) days after the occurrence of the relevant Change of Control, unless the Required Majority consent to such Change of Control not later than thirty (30) days after the occurrence of the relevant Change of Control.

(c) Notwithstanding the consent of the Required Majority to any Change of Control as contemplated in paragraph (b) above, to the extent any Lender would be prohibited from extending credit to any person acquiring (or being part of a group acquiring) more than fifty per cent. (50%) of the voting rights or share capital of the Parent or the ability to otherwise control the appointment of a majority of the members of the board of directors of the Parent by reason of any law or regulation applicable to it (including but not limited to Sanctions), such Lender shall have the right to demand prepayment of its participation in all Loans and other amounts outstanding and owed to it under the Finance Documents within sixty (60) days after the occurrence of such Change of Control.

8.6 Insurance proceeds

(a) Any Net Insurance Proceeds received by the Group shall promptly following receipt be applied towards prepayment of the Facility in accordance with the Asset Sale Waterfall.

(b) For the purpose of this Clause 8.6, "Net Insurance Proceeds" means net proceeds of claims under insurance contracts of the Group in excess of USD 1,000,000 (or its equivalent in other currencies) after costs and expenses and Taxes and excluding:

(i) proceeds of business interruption insurance and other insurance in relation to revenues; and

(ii) any amount to be applied (and which is applied) towards:

(A) repayment in respect of a Total Loss as set out in Clause 8.1 (*Total Loss*);

(B) replacement or repair of the relevant asset to which the insurance relates (including reimbursement of amounts that have been spent on the same); and

(C) meeting (or reimbursing amounts which have been incurred in meeting) third party claims and liabilities incurred.

8.7 Recycling Units

(a) A Recycling Unit may be sold or otherwise disposed of to a person that is not a member of the RigCo Group (a "**Recycling Disposal**") provided that the net proceeds from the relevant Recycling Disposal are paid in cash to the agent under the Recycling Proceeds Agreement for distribution to the relevant Recycling Lenders on a pro rata basis (according to their respective commitments set out in the Recycling Proceeds Agreement) on completion of the relevant Recycling Disposal.

(b) The Recycling Lenders right to receive payment as set out in paragraph (a) above shall be secured only by (i) guarantees from the relevant Recycling Unit Owner, and (ii) security over the relevant Recycling Assets, and the Recycling Lenders right to take actions against the Group in respect of any breach of this Clause 8.7 shall be limited to actions under and as set out in the Recycling Proceeds Agreement.

(c) In the case of a Recycling Disposal in accordance with this Clause 8.7, the Common Security Agent shall concurrently with any such Recycling Disposal and the payment of the net proceeds to the relevant Recycling Lenders, release (i) any Security Interest relating to the relevant Recycling Assets and (ii) the relevant Recycling Unit Owner from its obligations as guarantor under the Recycling Proceeds Agreement, in each case in accordance with the Recycling Proceeds Agreement.

(d) For the purpose of this Clause 8.7, the following definitions shall apply:

"**Recycling Assets**" means any shares or other ownership interest in the Recycling Unit Owner(s), the Recycling Unit(s) and any Insurance and Earnings related to the Recycling Unit(s).

"**Recycling Lenders**" shall have the meaning given to that term in the Recycling Proceeds Agreement.

"**Recycling Proceeds Agreement**" means an agreement entered into between the Agent, the Common Security Agent and the Recycling Unit Owners on or about the Effective Time.

8.8 Cash sweep prepayment

(a) If RigCo Ongoing Liquidity (calculated quarterly on the last Business Day of the month immediately preceding a Cash Sweep Prepayment Date (a "**Cash Sweep Calculation Date**")) exceeds the Cash Sweep Threshold, the Borrower shall apply an amount equal to seventy-five per cent. (75%) of the amount by which RigCo Ongoing Liquidity exceeds the Cash Sweep Threshold on such Cash Sweep Calculation Date (the "**Cash Sweep Amount**") in accordance with paragraph (c) below.

(b) The Obligors' Agent shall provide the Agent with a calculation (based on cash balance statements) of RigCo Ongoing Liquidity and any Cash Sweep Amount (if applicable) in

the form set out in Schedule 11 (*Form of RigCo Ongoing Liquidity and Cash Sweep Amount Calculation*) no later than five (5) Business Days after each Cash Sweep Calculation Date.

(c) The Cash Sweep Amount shall be applied by the Borrower towards repayment of principal amounts outstanding under the Facility on each relevant Cash Sweep Prepayment Date.

8.9 Terms and conditions for mandatory prepayments and cancellation

8.9.1 Application

(a) Unless otherwise specified in this Clause 8, all mandatory prepayments and/or cancellations (as the case may be) made under this Clause 8 in respect of the Facility shall be applied in inverse order of maturity.

(b) Upon any prepayments and/or cancellations, the Agent shall, if applicable, replace Schedule 10 (*Repayments*) with an amended and new repayment schedule reflecting the correct scheduled amounts and provide a copy to the Borrower and the Lenders thereof.

8.9.2 Additional payments

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to the exit fee pursuant to Clause 13.1 (*Exit fee*) and any Break Costs pursuant to Clause 12.4 (*Break Costs*) below, without premium or penalty.

8.9.3 No reinstatement

No amount of the Commitments cancelled or repaid under this Clause 8 may subsequently be reinstated. The Borrower may not utilise any part of the Facility which has been cancelled or any part of the Facility which has been prepaid under this Clause 8.

8.9.4 Forwarding of notice of prepayment and cancellation

If the Agent receives a notice under this Clause 8 it shall promptly forward a copy of that notice to the Finance Parties (as relevant) and the Borrower.

8.9.5 Exit fee netting

Notwithstanding any other provision of this Clause 8, in determining the amount of any mandatory prepayment to be made pursuant to Clause 8.2 (*Sale or disposal*) Clause 8.6 (*Insurance proceeds*) or Clause 8.8 (*Cash sweep prepayment*), the amount of any exit fee payable under Clause 13.1 (*Exit fee*) in relation to that mandatory prepayment is to be taken into account when calculating the amount prepayable so that the amount required to be prepaid plus the applicable exit fee does not exceed the proceeds available to the Group arising from the matter that has triggered the mandatory prepayment or, in the case of Clause 8.8 (*Cash sweep prepayment*), the amount that would otherwise have been required to be applied under that Clause 8.8. For the avoidance of doubt, notwithstanding this 8.9.5, the exit fee payable in respect of any prepaid, and/or cancelled commitments will remain to be calculated in accordance with Clause 13.1 (*Exit fee*).

9. SOFR TERM RATES

(a) The Borrower notes the announcement made by the Alternative Reference Rates Committee on 29 July 2021 that it is formally recommending CME Group's SOFR Term Rates and the announcement made by the Alternative Reference Rates Committee on

21 July 2021 of conventions and recommended best practices for the use of forward-looking Secured Overnight Financing Rates ("**SOFR Term Rates**").

(b) The Borrower is monitoring market developments with respect to the use of SOFR Term Rates and reserves the right (but without any obligation of any sort to do so) to (at any time and at the cost of the Borrower) seek the consent of the Agent (in its own capacity) and the Agent (acting on the instructions of the Required Majority) to amend this Agreement:

(i) pursuant to Clause 35.4.4 (*Changes to Reference Rates*); or

(ii) otherwise in circumstances where the Borrower considers in good faith that use of SOFR Term Rates has become established practice in the European loan market, to use SOFR Term Rates for the calculation of interest for Loans and Unpaid Sums under this Agreement denominated in US dollars,

provided in each case that, notwithstanding the consent of the Agent (in its own capacity and acting on the instructions of the Required Majority), no such amendment to this Agreement shall be made if, in relation to that amendment, a Lender has certified in writing to the Agent (with a copy to the Borrower) that at the time of the proposed amendment it is operationally unable to offer SOFR Term Rates to its borrowers generally under similar loans or facility agreements (it being acknowledged and agreed that a written and duly signed statement by a Lender to this effect will be sufficient provided that it has been delivered in respect of the amendment then proposed).

10. INTEREST

10.1 Calculation of interest

(a) The rate of interest on each Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of:

(i) the Applicable Margin; and

(ii) the Compounded Reference Rate for that day.

(b) If any day during an Interest Period for a Loan is not an RFR Banking Day, the rate of interest on that Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

10.2 Payment of interest

(a) Subject to paragraph (b) below, the Borrower shall pay accrued interest in cash on the Loan on each Interest Payment Date.

(b) If on the first Business Day in the month in which the relevant Interest Payment Date falls (the "**PIYC Calculation Date**"):

(i) RigCo Ongoing Liquidity exceeds the PIYC Threshold, all interest which has accrued during that Interest Period on the Loan shall be paid in cash in accordance with paragraph (a) above; or

(ii) RigCo Ongoing Liquidity is less than the PIYC Threshold:

(A) interest on the Loan which has accrued during that Interest Period at the PIYC Margin shall on that Interest Payment Date be capitalised and added to the principal outstanding amount under the Facility and, except as otherwise permitted under the Finance Documents, be payable as principal on the Final Maturity Date; and

(B) the remaining accrued interest on the Loan which has accrued during that Interest Period shall be paid in cash on the relevant Interest Payment Date.

(c) For the purpose of paragraph (b) above, the Obligors' Agent shall provide the Agent with a calculation (based on cash balance bank statements) of RigCo Ongoing Liquidity in the form set out in Schedule 12 (*Form of RigCo* Ongoing *Liquidity and Interest Calculation*) no later than five (5) Business Days prior to the last day of each Interest Period.

(d) If the Obligors' Agent fails to comply with paragraph (c) above, then any interest that would otherwise be capitalised and added to the principal outstanding amount under the Facility in accordance with paragraph (b)(ii)(A) above shall be paid in cash in accordance with paragraph (a) above.

10.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under the Finance Documents on its due date, interest shall accrue on the overdue amount from the due date and up to the date of actual payment (both before and after judgment) at a rate determined by the Agent to be two percentage points (2%) higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligors on demand by the Agent.

(b) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notifications

(a) The Agent shall promptly upon a Compounded Rate Interest Payment being determinable notify:

(i) the Borrower of that Compounded Rate Interest Payment;

(ii) each relevant Lender of the proportion of that Compounded Rate Interest Payment which relates to that Lender's participation in the relevant Loan; and

(iii) the relevant Lenders and the relevant Borrower of:

(A) each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment; and

(B) to the extent it is then determinable, the Market Disruption Rate (if any) relating to the relevant Loan.

This paragraph (a) shall not apply to any Compounded Rate Interest Payment determined pursuant to Clause 12.3 (*Cost of funds*).

(b) The Agent shall promptly notify the Borrower of each Funding Rate relating to a Loan.

(c) The Agent shall promptly notify the relevant Lenders and the Borrower of the determination of a rate of interest relating to a Loan to which Clause 12.3 (*Cost of funds*) applies.

(d) This Clause 10.4 shall not require the Agent to make any notification to any Party on a day which is not a Business Day.

11. INTEREST PERIODS

11.1 Selection of Interest Periods

(a) Subject to paragraph (b) below and Clause 11.2 (*Non-Business Day*), from the Effective Time, each Interest Period for a Loan hereunder shall be three (3) months commencing on the last day of its preceding Interest Period and ending on 15 June, 15 September, 15 December or 15 March (as applicable), provided that the first Interest Period shall commence at the Effective Time and end on the first of the dates specified above to occur after the Effective Time.

(b) An Interest Period for a Loan shall not extend beyond the Final Maturity Date, but shall be shortened so that it ends on the Final Maturity Date.

11.2 Non-Business Day

(a) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

(b) Notwithstanding paragraph (a) above, any rules specified as “Business Day Conventions” in the applicable Reference Rate Terms for a Loan or Unpaid Sum shall apply to each Interest Period for that Loan or Unpaid Sum.

11.3 Notification of Interest Periods

The Agent will notify the Borrower and the Lenders of the Interest Periods determined in accordance with this Clause 11.

12. CHANGES TO THE CALCULATION OF INTEREST

12.1 Interest calculation if no RFR and Central Bank Rate

If:

(a) there is no applicable RFR or Central Bank Rate for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate for an RFR Banking Day during an Interest Period for a Loan; and

(b) “Cost of funds will apply as a fallback” is specified in the Reference Rate Terms for that Loan,

Clause 12.3 (*Cost of funds*) shall apply to that Loan for the relevant Interest Period.

12.2 Market disruption

If a Market Disruption Rate is specified in the Reference Rate Terms for a Loan and before the Reporting Time for that Loan the Agent receives notifications from a Lender or Lenders (whose participations in that Loan is fifty per cent. (50%) or more of that Loan) that its cost of funds relating to its participation in that Loan would be in excess of that Market Disruption Rate, then Clause 12.3 (*Cost of funds*) shall apply to that Loan for the relevant Interest Period.

12.3 Cost of funds

(a) If this Clause 12.3 (*Cost of funds*) applies to a Loan for an Interest Period Clause 10.1 (*Calculation of interest*) shall not apply to that Loan for that Interest Period and the rate of interest on that Loan for that Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Applicable Margin; and

(ii) the weighted average of the rates notified to the Agent by each Lender as soon as practicable and in any event by the Reporting Time for that Loan to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in that Loan.

(b) If this Clause 12.3 (*Cost of funds*) applies and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.

(c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

(d) If this Clause 12.3 (*Cost of funds*) applies but any Lender does not notify a rate to the Agent by the time specified in paragraph (a) above for the relevant Loan the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.

(e) If this Clause 12.3 (*Cost of funds*) applies the Agent shall, as soon as possible, notify the Borrower.

12.4 Break Costs

(a) If an amount is specified as Break Costs in the Reference Rate Terms, the Borrower shall, within three (3) Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Cost for any Interest Period in which they become, or may become, payable.

13. FEES

13.1 Exit fee

The Borrower shall pay to the Agent (for the account of the Lenders and pro rata to their respective Commitments on the relevant payment, prepayment, cancellation and/or transfer date) an exit fee of 5.00 per cent. (5%) of the amount of the Commitments that are repaid, prepaid, cancelled and/or transferred to a buyer of a Drilling Unit or Drilling Unit Owner in accordance with Clause 8.2 (*Sale or disposals*) on each date on which such repayment, prepayment, cancellation and/or transfer of Commitments occurs. For the avoidance of doubt, the total exit fee payable by the Borrower under this Clause 13.1 shall be an amount equal to 5.00 per cent. (5%) of the Total Commitments at the Effective Date.

13.2 Other fees

The Borrower shall pay such other fees as set out in the Fee Letters.

14. TAX GROSS-UP AND INDEMNITIES

14.1 Definitions

In this Agreement:

"Tax Credit" means a credit against, relief or remission for, or repayment of, any Tax.

"Tax Payment" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2.2 (*Tax gross-up*) or a payment under Clause 14.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 14 a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

14.2 Taxes

14.2.1 No withholding

All payments by the Obligors under the Finance Documents shall be made without any Tax Deduction, unless a Tax Deduction is required by law.

14.2.2 Tax gross-up

(a) The Obligors' Agent shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Obligors' Agent and the relevant Obligor.

(b) If a Tax Deduction is required by law to be made by an Obligor (including, for the avoidance of doubt and without prejudice to the generality of the foregoing, as a result of a change of tax residence, jurisdiction, organisation, centre of main interest and/or establishment of an Obligor and/or the accession of a Replacement Borrower and/or the replacement of the Original Borrower with a Replacement Borrower):

(i) the amount of the payment due from the Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required; and

(ii) the Obligor shall make that Tax Deduction (and any payment required in connection with that Tax Deduction) within the time allowed and in the minimum amount required by law.

(c) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

14.3 Tax indemnity

The Borrower shall (within three (3) Business Days of demand by the Agent) pay to the Agent for the account of the relevant Finance Party an amount equal to the loss, liability or cost which a Finance Party determines will be or has been (directly or indirectly) suffered for or on account of any Tax by such Finance Party in respect of a Finance Document, save for any Tax on Overall Net Income assessed on a Finance Party or to the extent such loss, liability or cost:

(a) is compensated under Clause 14.2.2 (*Tax gross-up*); or

(b) relates to a FATCA Deduction required to be made by a Party.

14.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, or to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.5 Stamp taxes

The Borrower shall (within three (3) Business Days of demand by the Agent) pay to the Agent for the account of the relevant Finance Party an amount equal to any loss, liability or cost which that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document (other than in relation to any assignment or transfer of rights and/or obligations under the Finance Documents, save where such assignment or transfer is made (i) at the request of an Obligor or the Obligors' Agent, (ii) pursuant to Clause 17.1 (*Mitigation*) or (iii) following an Event of Default which is continuing).

14.6 VAT

(a) All amounts set out, or expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes shall be deemed to be exclusive of any VAT. If VAT is chargeable on that supply and such Finance Party is required to account to the relevant tax authority for the VAT, that Party shall pay to the Agent for the account of

such Finance Party (in addition to the amount required pursuant to the Finance Documents) an amount equal to such VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

(b) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(c) Any reference in this Clause 14.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994 or other similar member of such group at such time for VAT purposes).

(d) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

14.7 FATCA Information

(a) Subject to paragraph (c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

14.8 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Obligors' Agent and the Agent and the Agent shall notify the other Finance Parties.

15. INCREASED COSTS

15.1 Increased Costs

(a) Subject to Clause 15.2 (*Exceptions*), the Borrower shall, upon demand from the Agent, pay for the account of a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law, regulation or treaty or any directive of any monetary authority (whether or not having the force of law) (including, but not limited to any laws and regulations implementing new or modified capital adequacy requirements), (ii) compliance with any law or regulation made after the Effective Time, or (iii) any change in (or in the interpretation, administration or application of) the implementation or application of or compliance with Basel III or any other law or regulation which implements Basel III and CRD IV, provided that, in the case of (iii), the relevant Finance Party confirms to the Borrower and the Agent that it is seeking to recover such costs to a similar extent from its borrowers generally (where the facilities extended to such borrowers include a right for the relevant Finance Party to recover such costs) (it being acknowledged and agreed that a written and duly signed statement by a Finance Party to this effect will be sufficient, and that a Finance Party will not be required to provide any further evidence or otherwise substantiate its position concerning Basel III or CRD IV costs).

(b) In this Agreement:

(i) "**Basel III**" means:

(A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

(ii) "**CRD IV**" means:

(A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; and

(B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

(iii) "**Increased Costs**" means:

(A) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitments or funding or performing its obligations under any Finance Document.

(c) A Finance Party intending to make a claim pursuant to this Clause 15.1 shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower. Each Finance Party shall as soon as practicable after a demand by the Agent, provide a confirmation showing the amount of its Increased Costs.

15.2 Exceptions

Clause 15.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(a) attributable to a Tax Deduction required by law to be made by an Obligor;

(b) compensated for by Clause 14.3(*Tax indemnity*) (or would have been compensated for under Clause 14.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in Clause 14.3 (*Tax indemnity*) applied);

(c) attributable to a FATCA Deduction required to be made by a Party; or

(d) attributable to gross negligence or the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

16. OTHER INDEMNITIES

16.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (for the purposes of this Clause, a "**Sum**"), or any order, judgement or award given or made in relation to a Sum, has to be converted from the currency (for the purposes of this Clause, the "**First Currency**") in which that Sum is payable into another currency (for the purposes of this Clause, the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against an Obligor; or

(ii) obtaining or enforcing an order, judgement or award in relation to any litigation or arbitration proceedings,

each Obligor shall as an independent obligation, within three (3) Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each of the Obligors waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

16.2 Other indemnities

The Borrower shall within three (3) Business Days of demand, indemnify each Finance Party against any documented costs, loss or liability incurred by that Finance Party as a result of:

(a) the occurrence of any Event of Default;

(b) any Environmental Claim arising out of any property or facility or any operations of the Group;

(c) a failure by an Obligor to pay any amount due under the Finance Documents on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 30 (*Sharing among the Finance Parties*); or

(d) a Loan (or part thereof) not being prepaid in accordance with a notice of prepayment given by the Borrower.

16.3 Indemnity to the Finance Parties

The Borrower shall promptly indemnify the Agent or any other Finance Party against any documented cost, loss or liability incurred by the Agent or any other Finance Party (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a possible Event of Default;

(b) acting or verifying any notice, request or instruction which it reasonably believes to be genuine, correct or appropriately authorised; or

(c) instructing lawyers, accountants, tax advisers, surveyors or other professional advisors or experts as permitted under this Agreement.

17. MITIGATION BY THE LENDERS

17.1 Mitigation

17.1.1 Without in any way limiting the obligations of the Borrower hereunder, each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of:

(a) Clause 8.3 (*Illegality*);

(b) Clause 14 (*Tax gross-up and indemnities*); and

(c) Clause 15 (*Increased Costs*),

including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or another Facility Office.

17.1.2 A Finance Party is not obliged to take any steps under this Clause 17.1 if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

17.2 Replacement of a Lender

17.2.1 If any Lender (i) becomes a Defaulting Lender, or (ii) charges a material amount in excess of that being charged by the other Lenders with respect to contingencies described in Clause 14 (*Tax gross-up and indemnities*) and/or Clause 15 (*Increased Costs*), then the Obligors' Agent may (but in respect of paragraph (ii) above, only in the absence of a Default or Event of Default), on five (5) Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer its rights and obligations under this Agreement to a replacement lender (for the purposes of this Clause, a "**Replacement Lender**") in accordance with Clause 27.5 (*Assignments and transfers by the Lenders*), and subject to the following conditions:

(a) the Obligors' Agent shall have no right to replace the Agent;

(b) neither the Agent nor the relevant Lender shall have any obligation to the Obligors' Agent to find a Replacement Lender;

(c) the transfer must take place no later than fourteen (14) days after the notice referred to in this Clause 17.2.1;

(d) in no event shall the relevant Lender be required to pay or surrender to the Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and

(e) the relevant Lender shall only be obliged to transfer its rights and obligations pursuant to this Clause 17.2.1 once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.

17.2.2 The relevant Lender shall perform the checks described in Clause 17.2.1(e) as soon as reasonably practicable following delivery of a notice referred to in Clause 17.2.1 above and shall notify the Agent and the Obligors' Agent when it is satisfied that it has complied with those checks.

17.3 Indemnity

The Borrower shall indemnify each Finance Party for all documented costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (*Mitigation*) or Clause 17.2 (*Replacement of a Lender*).

18. COSTS AND EXPENSES

18.1 Transaction expenses

The Borrower shall promptly on demand pay to the Agent the amount of all documented costs and expenses (including legal fees) reasonably incurred by any of the Finance Parties in connection with the negotiation, preparation, printing, perfection, execution, registration and syndication of:

(a) this Agreement and any other documents referred to in this Agreement; and

(b) any other Finance Documents executed after the Effective Time.

18.2 Amendment and enforcement costs, etc.

The Borrower shall, within three (3) Business Days of demand, reimburse the Agent or another Finance Party for the amount of all costs and expenses (including legal fees) incurred by it in connection with:

(a) the granting of any release, waiver or consent under the Finance Documents;

(b) any amendment or variation of any of the Finance Documents; and/or

(c) the preservation, protection, enforcement or maintenance of, or attempt to preserve or enforce, any of the rights of the Finance Parties under the Finance Documents.

19. GUARANTEE AND INDEMNITY

19.1 Guarantee and indemnity

Each Guarantor hereby irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party, as and for its own debt and not merely as surety, the due and punctual observance and performance by each Obligor of all of that Obligor's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, such Guarantor shall immediately on demand by the Common Security Agent pay that amount as if it were the principal obligor; and

(c) undertakes to indemnify each Finance Party immediately on first demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by such Guarantor is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

19.2 Continuing guarantee

The Guarantee Obligations are continuing guarantee obligations and will extend to the ultimate balance of all amounts payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 Maximum liability

Notwithstanding anything to the contrary in this Agreement or any Finance Documents, including this Clause 19, the total and aggregate liability of each Guarantor hereunder shall be limited to USD 820,000,000 (i.e. Total Commitments at the Effective Time plus a headroom of approximately twenty per cent (20%)), in addition to any interest and costs.

19.4 Norwegian law limitations

(a) Notwithstanding anything to the contrary in this Agreement or any Finance Documents, including this Clause 19, none of the obligations of a Guarantor incorporated in Norway assumed or to be assumed, performed or to be performed by it under this Agreement shall apply to any indebtedness, obligations or liability which, if they did so extend, would cause an infringement of Sections 8-10 and 8-7, cf. sections 1-3, 1-4 and 1-5, or any of the other provisions in Chapter 8 III of the Norwegian Limited Companies Act regarding the ability of a Norwegian limited liability company to grant loans, guarantees or security in favour of or on behalf of shareholders or other group companies. The obligations of a Guarantor incorporated in Norway shall however be interpreted as to include as much as possible without contravening the limitations of the Norwegian Limited Companies Act.

(b) Each Guarantor incorporated in Norway confirms that the Guarantee Obligations undertaken hereto are not made in breach of the limitations set out in paragraph (a) above, and that the Guarantee Obligations remain in full force and effect.

19.5 Number of claims

There is no limit on the number of claims that may be made by the Common Security Agent (on behalf of the Finance Parties) under this Agreement.

19.6 Survival of Guarantor's liability

A Guarantor's liability to the Finance Parties under this Clause 19 shall not be discharged, impaired or otherwise affected by reason of any of the following events or circumstances (regardless of whether any such events or circumstances occur with or without such Guarantor's knowledge or consent):

(a) any time, waiver, consent, forbearance or other indulgence given or agreed by the Finance Parties with any Obligor in respect of any of the Obligor's obligations under the Finance Documents;

(b) any defence, legal limitation, disability or incapacity of any Obligor related to the Finance Documents;

(c) any amendments to or variations of the Finance Documents agreed by the Finance Parties with any Obligor;

(d) the liquidation, bankruptcy or dissolution (or proceedings analogous thereto) of any Obligor; or

(e) any other circumstance which might otherwise constitute a defence available to, or discharge of, a Guarantor.

19.7 Waiver of rights

Each Guarantor specifically waives all rights under the provisions of the Norwegian Financial Agreements Act 1999 (as amended) not being mandatory provisions, including (but not limited to) the following provisions (the main contents of the relevant provisions being as indicated in the brackets):

(a) § 63 (1) – (2) (to be notified of any Event of Default hereunder and to be kept informed thereof);

(b) § 63 (3) (to be notified of any extension granted to the Borrower in payment of principal and/or interest);

(c) § 63 (4) (to be notified of the Borrower's bankruptcy proceedings or debt reorganisation proceedings and/or any application for the latter);

(d) § 65 (3) (that the consent of a Guarantor is required for the Guarantor to be bound by amendments to the Finance Documents that may be detrimental to its interest);

(e) § 67 (2) (about reduction of a Guarantor's liabilities hereunder since no such reduction shall apply as long as any amount is outstanding under the Finance Documents);

(f) § 67 (4) (that a Guarantor's liabilities hereunder shall lapse after ten (10) years, as that Guarantor shall remain liable hereunder as long as any amount is outstanding under any of the Finance Documents);

(g) § 70 (as no Guarantor shall have any right of subrogation into the rights of the Finance Parties under the Finance Documents until and unless the Finance Parties shall have received all amounts due or to become due to them under the Finance Documents);

(h) § 71 (as the Finance Parties shall have no liability first to make demand upon or seek to enforce remedies against the Borrower or any other security provided in respect of the Borrower's liabilities under the Finance Documents before demanding payment under or seeking to enforce the Guarantee Obligations of a Guarantor hereunder);

(i) § 72 (as all interest and default interest due under any of the Finance Documents shall be secured by the Guarantee Obligations of a Guarantor hereunder);

(j) § 73 (1) – (2) (as all costs and expenses related to an Event of Default under this Agreement shall be secured by the Guarantee Obligations of a Guarantor hereunder); and

(k) § 74 (1) – (2) (as a Guarantor shall not make any claim against the Borrower for payment until and unless the Finance Parties first shall have received all amounts due or to become due to them under the Finance Documents).

19.8 Deferral of Guarantor's rights

Each of the Guarantors undertakes to the Finance Parties that for as long as any of the Finance Documents is effective:

(a) following receipt by it of a notice from the Common Security Agent of the occurrence of any Event of Default which is unremedied, none of the Guarantors will make demand for or claim payment of any moneys due to that Guarantor from any Obligor, or exercise any other right or remedy to which any of the Guarantors are entitled in respect of such moneys unless and until all moneys owing or due and payable by any Obligor to the Finance Parties under the Finance Documents have been irrevocably paid in full;

(b) if an Obligor shall become the subject of an insolvency proceeding or shall be wound up or liquidated, the Guarantors shall not (unless so instructed by the Common Security Agent and then only on condition that the Guarantor holds the benefit of any claim in such insolvency or liquidation to pay any amounts recovered thereunder to the Common Security Agent) make any claim in such insolvency, winding-up or liquidation until all moneys owing or due and payable by any Obligor to the Finance Parties under the Finance Documents have been irrevocably paid in full;

(c) if a Guarantor, in breach of paragraphs (a) and/or (b) above receives or recovers any money pursuant to any such exercise, claim or proof as therein referred to, such money shall be held by such Guarantor in custody for the Common Security Agent and immediately be paid to the Common Security Agent so as for the Common Security Agent to apply the same as if they were moneys received or recovered by the Common Security Agent under this Agreement; and

(d) the Guarantors have not taken nor will they take from any Obligor any Security Interest whatsoever for the moneys hereby guaranteed.

19.9 Enforcement

(a) No Finance Party shall be obliged before taking steps to enforce the Guarantee Obligations of any of the Guarantors under this Agreement:

(i) to obtain judgement against any Obligor or any third party in any court or other tribunal;

(ii) to make or file any claim in a bankruptcy or liquidation of any Obligor or any third party; or

(iii) to take any action whatsoever against any Obligor or any third party under the Finance Documents, except giving notice of any payment due hereunder,

and each of the Guarantors hereby waives all such formalities or rights to which it would otherwise be entitled or which the Finance Parties would otherwise first be required to satisfy or fulfil before proceeding or making any demand against the Guarantors hereunder, except as required hereunder or by law.

(b) Any release, discharge or settlement between a Guarantor and the Finance Parties (or any of them) in relation to any Finance Document shall be conditional upon no payment made by the Borrower to the Finance Parties hereunder or thereunder being void, set aside or ordered to be refunded pursuant to any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason whatsoever. If any payment is void or at any time so set aside or ordered to be refunded, the Finance Parties shall be entitled subsequently to enforce the Guarantee Obligations of a Guarantor hereunder as if such release, discharge or settlement had not occurred and any such payment had not been made.

19.10 Additional security

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

19.11 Limitation of Guarantee Obligations

(a) Notwithstanding any other provision of this Clause 19, and without limiting the generality of the foregoing, the guarantee, indemnity and other obligations of each Guarantor hereunder shall extend to all amounts that constitute part of the Guarantee Obligations and would be owed by any other Obligor to any Finance Party under or in respect of the Finance Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, insolvency, reorganization or similar proceeding involving such other Obligor.

(b) Each Guarantor, and by its acceptance of this Agreement, each Finance Party, hereby confirms that it is the intention of all parties that this Agreement and the obligations of each Guarantor hereunder do not constitute a fraudulent transfer of conveyance for purpose of Insolvency Laws (as hereafter defined), any fraudulent conveyance act, fraudulent transfer act or any similar foreign law to the extent applicable to this Agreement and the obligations of the Guarantor hereunder. To effectuate the foregoing intention, the Finance Parties and each Guarantor hereby irrevocably agree that the obligations of each Guarantor under this Agreement and the other Finance Documents to which it is a party at any time shall be limited to the maximum amount as will result in the obligations of such Guarantor hereunder and thereunder not constituting a fraudulent transfer or conveyance. For the purpose hereof, “Insolvency Law” means the law described in this paragraph or any law relating to any proceeding of the type referred to in Clause 26.6 (*Insolvency*) and Clause 26.7 (*Insolvency proceeding*) of this Agreement or any similar foreign law for the relief of debtors applicable to such Obligor.

19.12 Contribution

Each Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to any Finance Party under this Agreement, any other Finance Document or any other guarantee, such Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Guarantor and each other guarantor so as to

maximize the aggregate amount paid to the Finance Parties under or in respect of the Finance Documents.

20. SECURITY

(a) The Secured Obligations shall throughout the Security Period be secured by the guarantees and indemnities granted by the Guarantors and the Borrower pursuant to Clause 19 (*Guarantee and Indemnity*) and secured by the Security Interests granted pursuant to the Security Documents.

(b) Subject to paragraph (c) and (d) below, each of the Obligors undertakes to ensure that the Security Documents are duly executed by the parties thereto in favour of the Common Security Agent (on behalf of the Senior Secured Finance Parties) in accordance with Clause 4 (*Conditions Precedent*) or at such other times pursuant to and as set out in the Senior Secured Finance Documents (including under Clauses 8.2 (*Sale or disposal*) and 27.3 (*Changes to the Guarantors*)), in form and substance satisfactory to the Common Security Agent (acting on the instructions of all the Senior Secured Lenders) and are legally valid and in full force and effect with first priority, and to execute or procure the execution of such further documentation as the Common Security Agent may reasonably require in order for the relevant Senior Secured Finance Parties to maintain the security position envisaged hereunder.

(c) In relation to the obligation to provide the Assignment of Earnings it is understood that the Senior Secured Lenders agree only to require that "best efforts" are applied by the relevant Obligors in obtaining (a) consent to a first priority security interest over all earnings in respect of charter parties with independent third parties (if required under the relevant charterparty) and (b) any acknowledgement from any independent third parties.

(d) The obligation of the relevant member of the Group to provide the Floating Charges or any security or guarantee in respect of any investment or acquisition under paragraphs (m) and (n) of the definition of "Permitted Investment/Acquisition" shall be subject to the following principles (the "**Security Principles**"):

(i) Floating Charges (or equivalent security) shall only be granted by members of the Group that are incorporated in a jurisdiction where such security is customarily granted (including, without limitation, England and Wales, Bermuda, Norway and United States of America);

(ii) no security or guarantee will be required in respect of Non-Recourse Subsidiaries or their assets;

(iii) laws may limit the ability of any member of the Group to provide security or a guarantee or may require that any such security or guarantee is limited in amount or otherwise provided that the relevant member of the Group shall use reasonable endeavours to overcome such obstacle;

(iv) a key factor in determining whether or not any security or guarantee (or any perfection action) should be taken is the cost involved (including, without limitation, legal fees, registration fees and Taxes) which shall not be disproportionate to the benefit obtained by the Senior Secured Lenders of obtaining such guarantee or security;

(v) in certain jurisdictions it may be impossible or impractical to create security over certain categories of assets, in which event security will not be taken over the relevant assets;

(vi) any assets subject to third party arrangements which may prevent those assets being charged will be excluded from any relevant security provided that reasonable endeavours to obtain consent to charging any such assets shall be used by the relevant member of the Group if the relevant asset is material;

(vii) the granting of any security or the perfection of any security will not be required if it would have a significant adverse effect on the ability of the relevant member of the Group to conduct its operations and/or business in the ordinary course as otherwise permitted by the Finance Documents (and, in particular, in relation to the capital equipment and spare parts pool, the granting or perfection of any such security will not be required if it would interfere with or prejudice the normal operation of the capital equipment and spare parts pool as it operates in the ordinary course);

(viii) the relevant member of the Group will be free to deal with the secured assets in the course of its business as otherwise permitted by the Finance Documents until the occurrence of an Event of Default; and

(ix) if required by law to perfect the security, any notice of the security will be served on the counter-party and the relevant member of the Group will use reasonable endeavours for a period to be agreed to obtain an acknowledgement of the notice.

21. REPRESENTATIONS AND WARRANTIES

Each of the Obligors represents and warrants to each Finance Party as set out below.

21.1 Status

Each Obligor and Security Provider is a limited liability company or corporation, as applicable, duly incorporated, organised and validly existing under the laws of their jurisdiction of incorporation (for the Obligors as set out in Schedule 13 (*Corporate Structure*)) (as updated in accordance with Clause 22.11(c)) and registration and have the power to own their assets and carry on their business as they are currently being conducted.

21.2 Binding obligations

Subject to the Legal Reservations and Perfection Requirements, the Finance Documents to which any Obligors or Security Providers are a party constitute legal, valid, binding and enforceable obligations, and each Security Document creates the Security Interests which that Security Document purports to create and those Security Interests are legal, valid, binding and enforceable first priority securities and no registration, filing, payment of tax or fees or other formalities are necessary or desired to render the Finance Documents enforceable in accordance with their terms against the Obligors or Security Providers.

21.3 No conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it or a Security Provider is a party do not and will not conflict with:

(a) any law or regulation or any order or decree of any judicial or official agency or court;

(b) any constitutional documents of such Obligor or Security Provider; or

(c) the Charter Contracts or any agreement or document to which it or any Security Provider is a party or by which it is bound.

21.4 Power and authority

It and each Security Provider has the power to enter into, perform and deliver, and has taken all necessary corporate actions to authorise its entry into and delivery of, performance, validity and enforceability of the Finance Documents to which it is party and the transactions contemplated by those Finance Documents.

21.5 Authorisations and consents

All authorisations, approvals, consents and other matters, official or otherwise, required (i) in connection with the entering into, performance, validity and enforceability of the Finance Documents and the transactions contemplated hereby and thereby and (ii) for it or each Security Provider to carry on its business as currently being conducted have been obtained or effected and are in full force and effect.

21.6 No filing or stamp taxes

Other than the Perfection Requirements or in relation to any assignment or transfer of rights and/or obligations under the Finance Documents, under the laws of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority or that any stamp, registration, notarial or similar Tax or fees be paid on or in relation to the Finance Documents or the transactions contemplated by them.

21.7 Taxes

(a) It has complied with all taxation laws in all jurisdictions where it is subject to taxation and has paid all material Taxes and other material amounts due to governments and other public bodies, except as otherwise permitted or required by the US Bankruptcy Code. No claims are being asserted against it with respect to any material Taxes or other material payments due to public or governmental bodies save as disclosed to the Agent pursuant to Clause 24.4 (*Taxation*), except any claims in connection with proceedings pursuant to the US Bankruptcy Code.

(b) It is not required to make any withholdings or deductions for or on account of any Tax from any payment it may make under any of the Finance Documents.

(c) It is resident for Tax purposes only in its jurisdiction of incorporation unless (i) specified otherwise in the Transaction Steps Plan, or (ii) such residency has changed as part of or pursuant to a Permitted Group Restructuring.

21.8 No Default

(a) No Event of Default is continuing.

(b) No Event of Default is existing or might reasonably be expected to result from the making of the Utilisation or the entry into and performance of or any transaction contemplated by any of the Finance Documents.

(c) No other event or circumstance is outstanding which constitutes a default or (with the expiry of a grace period, giving of notice or the making of any determination or the fulfilment of any other applicable conditions or any combination of the foregoing) might reasonably be expected to constitute a default under any Charter Contract, Intra-Group Charterparty or other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject and which has or is reasonably likely to have a Material Adverse Effect.

21.9 No misleading information

(a) Save as disclosed in writing to the Agent not less than five (5) Business Days prior to a representation being made or being deemed to be made, any material factual information contained in documents, exhibits or reports (excluding forecasts, projections and forward-looking statements) relating to the Obligors and their respective Subsidiaries and which has been furnished to the Finance Parties in writing by or on behalf of the Obligors:

(i) is true and correct in all material respects as at the date of the relevant documents, exhibits or reports or (as the case may be) the date at which such information was expressed to be given; and

(ii) does not contain any misstatement of fact or omit to state a fact making such information misleading in any material respect as at the date of the relevant documents, exhibits or reports or (as the case may be) the date at which such information was expressed to be given or omit to disclose any off-balance sheet liabilities or other information, documents or agreements which if disclosed could reasonably be expected to affect the decision of a Finance Party to enter into a Finance Document (in respect of any omission, limited to any Finance Document entered into at or around the Effective Time).

(b) Any financial projection or forecast contained in the most recently delivered Cash Flow Projection has been prepared on the basis of recent historical information and on the basis of assumptions which the board of directors of the relevant member of the Group (acting reasonably) considered reasonable as at the date they were prepared and supplied.

21.10 Financial Statements

(a) **Fairly present.** The most recently delivered of (i) the Original Financial Statements or (if different) (ii) the financial statements most recently delivered to the Agent and the Lenders pursuant to Clause 22 (*Information Undertakings*), save as disclosed to an Exchange where the Parent is listed, fairly present the assets, liabilities and the financial condition of the Obligors and their respective Subsidiaries at the day that they were drawn up and have been prepared in accordance with the Accounting Principles consistently applied.

(b) **No undisclosed liabilities.** As of the later of the date of (i) the Original Financial Statements and (if different) (ii) the financial statements most recently delivered to the Agent or the Lenders pursuant to Clause 22 (*Information Undertakings*), none of the Obligors or any of their Subsidiaries had any material liabilities, direct or indirect, actual or contingent, and there is no material, unrealised or anticipated losses from any unfavourable commitments, not disclosed by or reserved against in the latest of the

Original Financial Statements and the most recently delivered financial information or in the notes thereto (as applicable) (in each case only to the extent that such disclosure or reservation would be required under the Accounting Principles at that time) save as disclosed to an Exchange.

(c) **No material change.** Since the date to which the 2020 Seadrill Financial Statements were drawn up, there has been no material adverse change in the business, operations, assets or condition (financial or otherwise) of any Obligor or its Subsidiaries which has or is reasonably likely to have a Material Adverse Effect.

(d) **Cash Flow Projections.** The budgets and forecasts supplied under this Agreement were arrived at after careful consideration and have been prepared in good faith on the basis of recent historical information and on the basis of assumptions which the board of directors of the relevant member of the Group (acting reasonably) considered reasonable as at the date they were prepared and supplied.

21.11 Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations preferred by mandatory law applying to companies generally.

21.12 No proceedings pending or threatened

No litigation, judgment, order, injunction, restraint, arbitration or administrative proceedings (private or public) of or before any court, arbitral body or agency, which has or would reasonably be expected to have a Material Adverse Effect, have been started or are pending or (to the best of its knowledge and belief) have been threatened against it.

21.13 No existing Security Interest

Save as described in Clause 20 (*Security*) or permitted pursuant to Clause 24.7 (Negative *pledge*), no Security Interest exists over all or any of the present or future revenues or assets of such Obligor or Security Provider being the subject of any Security Interest under the Security Documents.

21.14 No immunity

The execution and delivery by it and each Security Provider of each Finance Document to which it is a party constitute, and its and each Security Provider's exercise of its rights and performance of its obligations under each Finance Document will constitute, private and commercial acts performed for private and commercial purposes, and it and each Security Provider will not (except for bankruptcy or any similar proceedings) be entitled to claim for itself or any or all of its assets immunity from suit, execution, attachment or other legal process in any proceedings taken in relation to any Finance Document.

21.15 No winding-up

No Obligor or Security Provider has taken any corporate action nor have any other steps been taken or legal proceedings been started or threatened against it for its reorganisation (other than a solvent reorganisation), winding-up, dissolution or administration or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or any or all of its assets.

21.16 No breach of laws

(a) It has not (and none of its Subsidiaries have) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

(b) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

21.17 Environmental Laws

(a) Each Obligor is in compliance with Clause 24.3 (*Environmental Compliance*) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.

(b) No Environmental Claim and no other event or circumstances is outstanding which (with the expiry of a grace period, giving of notice or the making of any determination or the fulfilment of any other applicable conditions or any combination of the foregoing) would or would be reasonably likely to result in an Environmental Claim has been commenced or is pending or threatened (in each case, to the best of its knowledge and belief (having made due and careful enquiry)) against any member of the Group where that claim has or is reasonably likely to have a Material Adverse Effect.

21.18 Ownership

The Parent is the direct or indirect owner of all the shares in RigCo and RigCo is (i) the direct owner of all the shares in Cash Pool Co and the Original Borrower, and (ii) except as otherwise permitted under the Finance Documents, the direct or indirect owner of all the shares in each Drilling Unit Owner and each Intra-Group Charterer as described in Schedule 13 (*Corporate Structure*) hereto (as updated in accordance with Clause 22.11(c)).

21.19 The Drilling Units

(a) Each Drilling Unit:

(i) is in the absolute ownership of the relevant Drilling Unit Owner described in Schedule 3 (*The Drilling Units*) (as updated in accordance with Clause 22.11(a)) free and clear of all encumbrances (other than current crew wages, the relevant Mortgage, any Drilling Unit Permitted Encumbrance, any rights or interests listed in Clause 24.6 (*Title*) and, if applicable, any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements) and the respective Drilling Unit Owner will be the sole, legal and beneficial owner of such Drilling Unit except as permitted by Clause 24.21(f) (*Ownership*); and

(ii) is registered in the name of the relevant Drilling Unit Owner as described in Schedule 3 (*The Drilling Units*) (as updated in accordance with Clause 22.11(a)) with a Ship Registry.

(b) Each Drilling Unit:

(i) not laid-up or stacked is:

(A) operationally seaworthy in every way and fit for service, including, but not limited to, service under the Charter Contracts; and

(B) classed with DNV GL, Lloyds Register, American Bureau of Shipping or another classification society acceptable to the Required Majority, free of all overdue conditions or impairments; and

(ii) laid-up or stacked is:

(A) laid-up or stacked in a way that makes it capable of maintaining its operational capabilities and being re-entered in a classification society upon removal from such lay-up or stacking; and

(B) otherwise laid-up or stacked in accordance with prudent industry standards.

21.20 No money laundering

It is acting for its own account in relation to the Facility and in relation to the performance and the discharge of its obligations and liabilities under the Finance Documents and the transactions and other arrangements effected or contemplated by the Finance Documents to which an Obligor is a party, and the foregoing will not involve or lead to contravention of any law, official requirement or other regulatory measure or procedure implemented to combat money laundering (as defined in Article 1 of the Directive 2015/849/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of money laundering and terrorist financing (amending Regulation (EU) No 648/2012 of the European Parliament and the Council and Commission Directive 2006/70/EC), as amended from time to time).

21.21 Corrupt practices

It has observed, and to the best of its knowledge and belief its shareholders and parties acting on its behalf have observed in the course of acting for it, all applicable laws and regulations relating to bribery or corrupt practices.

21.22 Sanctions

No Obligor, nor any Subsidiary of any Obligor, nor any of their joint ventures, nor any of their respective directors, officers, employees, agents or representatives:

(a) is in breach of any Sanctions;

(b) is a Restricted Party;

(c) is engaged in any trade, business or other activities with or for the benefit of any Restricted Party; or

(d) has received notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions.

21.23 FATCA

The Borrower is not resident for tax purposes in the United States of America.

21.24 Non-Conflict

The Borrower agrees and acknowledges that any claim or defence that it may have or hold in respect of any Charter Contract or Intra-Group Charterparty or any dispute arising in connection with that Charter Contract or Intra-Group Charterparty, between the parties thereto, shall not affect its payment obligations under the Finance Documents.

21.25 Repetition

The representations and warranties set out in this Clause 21 are deemed to be made by each of the Obligors (on behalf of itself and any Security Provider) at the Effective Time and (except for the representations and warranties in Clause 21.7(b), Clause 21.8(b) and (c), Clause 21.9(a)(ii) (only insofar as they relate to any omission), Clause 21.10(c), Clause 21.15 (*No winding-up*) and Clause 21.22 (*Sanctions*)) shall be deemed to be repeated (by reference to the facts and circumstances then existing):

(a) on the first day of each Interest Period; and

(b) in each Compliance Certificate delivered to the Agent pursuant to Clause 22.2 (*Compliance Certificate*) (or, if no such Compliance Certificate is forwarded, on each day such certificate should have been forwarded to the Agent at the latest).

22. INFORMATION UNDERTAKINGS

The Parent and the other Obligors (where relevant) give the undertakings set out in this Clause 22 to each Finance Party and such undertakings shall remain in force throughout the Security Period.

22.1 Financial statements

(a) The Parent shall:

(i) supply to the Agent in sufficient copies for all of the Lenders as soon as reasonably practicable, but in any event within one hundred and eighty (180) days after the end of each financial year, the audited annual consolidated accounts of the Parent, signed by an authorised officer of the Parent, together with a RigCo Group Reconciliation Statement;

(ii) provide to the Agent as soon as reasonably practicable, but in any event within seventy (70) days after each relevant Quarter Date, the unaudited consolidated accounts of the Parent for that Financial Quarter together with a RigCo Group Reconciliation Statement; and

(iii) provide to the Agent as soon as reasonably practicable and in any event within seventy (70) days after each Quarter Date, a copy of the consolidated Cash Flow Projections for the Parent and a reconciliation in respect of RigCo for the following five (5) calendar years after such dates.

(b) Each of the Parent and RigCo shall supply to the Agent as soon as reasonably practicable any other information in respect of the business, properties or condition, financial or otherwise, of the Obligors or any of their Subsidiaries as the Agent or any of the Lenders may from time to time reasonably request.

(c) For the avoidance of doubt, the first financial statements to be delivered under this Clause will be the Original Financial Statements, and the first consolidated Cash Flow Projections will be delivered in respect of the Quarter Date which is 31 March 2022.

22.2 Compliance Certificate

RigCo shall supply to the Agent, with each set of financial statements delivered pursuant to Clause 22.1 (*Financial statements*), a Compliance Certificate signed by an authorised officer of RigCo setting out (in reasonable detail) inter alia computations as to compliance with Clause 23 (*Financial Covenants*) as at the date at which those financial statements were drawn up together with any relevant supporting documentation enabling the Lenders to determine and monitor compliance with Clause 23 (*Financial Covenants*) and containing (i) confirmation of compliance with Clause 8.8 (*Cash sweep prepayment*), Clause 10.2 (*Payment of interest*), Clause 25.3 (*Insurance*), Clause 24.25 (*RigCo Group Cash Sweep*) and Clause 24.26 (*Payments out of the RigCo Group*) and (ii) a statement (for information purposes only) of the Market Value of each Drilling Unit.

22.3 Requirements as to financial statements

(a) The Parent shall procure that each set of financial statements delivered pursuant to Clause 22.1 (*Financial statements*) and RigCo shall ensure that each RigCo Group Reconciliation Statement consists of balance sheets, income statements and cash flow statements and is prepared using Accounting Principles, accounting practices and financial reference periods consistent with those applied in the preparation of the 2020 Seadrill Financial Statements, unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in Accounting Principles, the accounting practices and/or reference periods and its Auditors deliver to the Agent:

(i) a description of any change necessary for those financial statements to reflect Accounting Principles, accounting practices and reference periods upon which the 2020 Seadrill Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 23 (*Financial Covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the 2020 Seadrill Financial Statements.

(b) Upon delivery of the Original Financial Statements, the Parent shall, in writing, deliver to the Agent a description of any change in the Accounting Principles, accounting practices and/or reference periods upon which the 2020 Seadrill Financial Statements were prepared (in sufficient detail for the Finance Parties to evaluate the effect of such changes) and if (i) such changes have no effect on any calculation to be made under this Agreement (including any financial covenant and whether or not such financial covenant is actually tested at that time) and this is supported by the description of the changes delivered by the Parent or (ii) the Supra Majority Lenders otherwise agree (acting reasonably), then all references to "2020 Seadrill Financial Statements" in paragraph (a) above, paragraph (c) below, Clause 23.5 (*Financial Testing*) and paragraph (b)(ii) of the definition of "Investment and Acquisition Basket" shall be replaced with "Original Financial Statements".

(c) Any reference in this Agreement to each set of financial statements delivered pursuant to Clause 22.1 (*Financial statements*) shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the 2020 Seadrill Financial Statements were prepared.

(d) If a change to the Accounting Principles, accounting practices and/or reference periods has occurred, and provided that the Parent and/or RigCo (as applicable) provide to the Agent (for distribution to all Finance Parties):

(i) a copy of the proposed amendments to the relevant provisions of this Agreement (other than Clause 23 (*Financial Covenants*)) as a result of such change(s);

(ii) a report describing such change(s) and explaining the impact that such change(s) could have if no such amendments are made; and

(iii) sufficient information for the Finance Parties to make an accurate comparison between the situation where the proposed amendments are made versus the situation where the amendments are not made, in each case based on the Group's actual and projected financial position at the relevant time,

the Finance Parties agree to discuss such proposed amendments with RigCo and/or the Parent (as applicable) in good faith for a period of fifteen (15) Business Days. For the avoidance of doubt, the Finance Parties are under no obligation to agree to such proposed amendments.

22.4 Quarterly reporting pack

The Parent shall provide to the Agent as soon as reasonably practicable and in any event within seventy (70) days after each relevant Quarter Date:

(a) to the extent not provided pursuant to Clause 22.1(a)(ii) in relation to the same reporting period, unaudited consolidated management accounts, including income statements, balance sheets and cash flow statements in substantially the form they are produced as at the Effective Time for management reporting purposes;

(b) fleet status reports; and

(c) to the extent not already provided in paragraph (a) or (b) above, information on key performance indicators and the status of the Drilling Units, including information on utilisation, backlog, average day-rates, average Drilling Units on contract, any health and safety incidents, any material disposals or acquisitions, any stacking plans and environmental condition.

22.5 Quarterly management update call

Once in every Financial Quarter (commencing with the Financial Quarter ending 31 March 2022) at least two (2) executive directors of the Group (one of whom shall be the Group's Chief Financial Officer) shall host a conference call with the Finance Parties, at a time and date agreed with the Agent (acting reasonably) about the ongoing business and financial performance of the Group.

22.6 Budget

(a) The Parent shall provide to the Agent, as soon as the same becomes available, but in any event within thirty (30) days of the start of each of its financial year, an annual budget for that financial year, provided that the annual budget for the financial year starting on 1 January 2022 shall be provided by no later than the date falling thirty (30) days after the Effective Time.

(b) The Parent shall ensure that each budget:

(i) includes a projected consolidated income statement, balance sheet and cashflow statement of the Parent and projected financial covenant calculations in respect of the RigCo Group;

(ii) is prepared in accordance with the Accounting Principles and the accounting practices and financial reference periods applied to financial statements under Clause 22.1 (*Financial statements*); and

(iii) has been approved by the board of directors of the Parent.

(c) If the Parent updates or changes the budget in any way which materially changes the projections in a budget previously provided, they shall within not more than five (5) Business Days of the update or change being made deliver to the Agent, in sufficient copies for each Lender, such updated or changed budget, and such updated budget shall constitute the budget for the purposes of this Agreement.

22.7 Information - miscellaneous

The Obligors shall notify the Agent and/or supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) to the extent they are able to do so without breaching any law or regulation applicable to them, promptly upon becoming aware of them, the details of any claim, action, suit, proceeding or investigation with respect to Sanctions against it, any of its direct or indirect owners, Subsidiaries, any of their joint ventures or any of their respective directors, officers, employees, agents or representatives;

(b) all documents dispatched by the Parent to its shareholders generally, or by the Parent or any Obligor to or from its creditors generally at the same time as they are dispatched;

(c) to the extent they are able to do so without breaching any law or regulation applicable to them, promptly upon determining that a liability is probable, the details of any breaches of contracts, litigation, judgment, order, injunction, restraint, arbitration or administrative proceedings which are current or pending against any of the Obligors and which would, if adversely determined, be reasonably expected to have a Material Adverse Effect;

(d) immediately such further information regarding the business, properties, conditions, assets and operations (financial or otherwise) of the Obligors and their Subsidiaries as any Finance Party (through the Agent) may reasonably request;

(e) all filings with or reports forwarded to any Exchange;

(f) such updates of forecasts as the Agent may reasonably request;

(g) details of any Non-Recourse Subsidiary; and

(h) such information as required by Clause 8.8(b).

22.8 Notification of Default

The Obligors shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

22.9 Notification of Environmental Claims

The Obligors shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of the same, to the extent they are able to do so without breaching any law or regulation applicable to them:

(a) if any material Environmental Claim has been commenced or (to the best of the Obligors' knowledge and belief) is threatened against any of the Obligors or any of the Drilling Units; and

(b) of any incident, event, fact or circumstances which will or are reasonably likely to result in any material Environmental Claim being commenced or threatened against any of the Obligors, or any of the Drilling Units.

22.10 Information related to drilling contracts

(a) The Obligors' Agent shall provide the Agent with information on:

(i) any new drilling contract in respect of a Drilling Unit within five (5) Business Days after any such contract is entered into; and

(ii) any claim for termination of a drilling contract in respect of a Drilling Unit made by a charterer promptly after such claim has been made.

(b) The Obligors' Agent shall procure that a Contract Memo for any new drilling contract in respect of a Drilling Unit with a firm duration of more than ninety (90) days is sent to the Agent within thirty (30) Business Days of the entering into of such contract. Each Contract Memo shall be treated by the Agent as having Private Lender Information unless the Obligors' Agent notifies the Agent in writing that it should be treated as containing only Public Lender Information.

22.11 Drilling Units, Drilling Unit Owners, Intra-Group Charterers and Corporate Structure

(a) The Obligors' Agent shall provide the Agent with an updated Schedule 3 (*The Drilling Units*) within five (5) Business Days after any relevant change to a Drilling Unit Owner, Intra-Group Charterer, Charter Contract, Intra-Group Charterparty or ownership of a Drilling Unit, in each case made in accordance with the terms of this Agreement.

(b) If the updated Schedule 3 (*The Drilling Units*) referred to in paragraph (a) above comprises any information which is Private Lender Information, the Obligors' Agent shall provide to the Agent (i) one version of that updated Schedule which contains only Public Lender Information, and (ii) one version of that updated Schedule which contains Public Lender Information and Private Lender Information, and each version

of that updated Schedule shall be made available to the Lenders in accordance with Clause 22.14 (*Public Lenders*).

(c) The Parent shall provide the Agent with information on and an updated Schedule 13 (*Corporate Structure*) within five (5) Business Days after any relevant change to the corporate structure of the Obligors, Security Providers, Seadrill Management or Seadrill Global Services or any relevant change to which entity who operates (or the operation of) the capital equipment or spare parts arrangements of the Group made in accordance with the terms of this Agreement.

22.12 Use of websites

(a) The Obligors' Agent and the Parent may satisfy their respective obligations under this Agreement to deliver any information to the Lenders by posting this information onto an electronic website designated by the Obligors' Agent and the Agent (for the purposes of this Clause, the "**Designated Website**").

(b) The Obligors' Agent or the Parent shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) any password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) RigCo or the Parent becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

(c) If the Obligors' Agent or the Parent notifies the Agent under paragraph (b)(i) or paragraph (b)(v) above, all information to be provided by RigCo or the Parent under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent is satisfied that the circumstances giving rise to the notification are no longer continuing.

22.13 "Know your customer" checks

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Effective Time;

(ii) any change in the status of an Obligor after the date of the Effective Time; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of any prospective new Lender, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of any prospective new Lender, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent or any Lender in order for the Agent and the Lenders to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

22.14 Public Lenders

(a) In this Agreement:

"**Information Nominee**" has the meaning given to it in Clause 22.14(e)(ii).

"**Private Lender**" means any Lender which is not a Public Lender.

"**Private Lender Information**" means any information and/or documentation that is not Public Lender Information.

"**Public Lender Information**" means all information and documentation with respect to the Group that is either:

(i) publicly available; or

(ii) not inside information or material non-public information for the purposes of the Market Abuse Regulation (Regulation 596/2014) or US federal and state securities laws.

"**Public Lender**" means a Lender who has elected to have access to the section of the website referred to in paragraph (b)(ii) below whether or not it has an Information Nominee who has elected to have access to the section of the website referred to in paragraph (b)(i) below.

(b) The Parent shall procure that the Agent maintains an electronic website for distribution of information to Lenders which includes separate sections, accessible at the option and election of each Lender (and, in the case of Public Lenders, at the option and election of any Information Nominee), for:

(i) information containing Private Lender Information and Public Lender Information; and

(ii) solely Public Lender Information.

(c) The Parent shall procure that all information and/or documentation to be distributed to the Agent or the Lenders will be identified in writing as either containing:

(i) Private Lender Information and Public Lender Information; or

(ii) solely Public Lender Information.

(d) The Parent shall procure that all information required to be provided under this Agreement to the Lenders (other than information provided at a meeting or call with the Finance Parties) is provided to the Lenders via the Agent and the website referred to in paragraph (b) above.

(e) Any Public Lender may:

(i) request in writing that the Parent does not distribute any Private Lender Information to it until such time as that Lender notifies the Parent in writing that it wishes to receive Private Lender Information; and

(ii) nominate one or more persons employed or engaged by it as a contact (an "**Information Nominee**") to receive information (including Private Lender Information) under this Agreement in place of that Lender's usual contacts by giving a notice in writing to the Parent and the Agent. For the avoidance of doubt, a Public Lender which nominates an Information Nominee shall, notwithstanding such nomination and the receipt by that Information Nominee of Private Lender Information, continue to be a Public Lender for the purposes of this Agreement.

(f) The Parent shall use reasonable endeavours to ensure that Private Lender Information is not distributed to any Lender which has requested not to receive Private Lender Information in accordance with paragraph (e) above (provided that Private Lender Information may be distributed to a Public Lender's Information Nominee, if any, including via the section of the website referred to in paragraph (b)(i) above).

(g) If any member of the Group discloses information to a Public Lender (excluding, for the avoidance of doubt, its Information Nominee) which, in accordance with the provisions of this Clause 22.14, was to be made available to Private Lenders only, and unless the Public Lender(s) to whom such information was disclosed agree(s) otherwise, the Parent shall ensure that such information (or the relevant parts of such information comprising Private Lender Information) is as soon as reasonably practicable (and in any event no later than three (3) Business Days following notification from a Public Lender of such disclosure) made publicly available in a manner in which such information (or the relevant part of such information) becomes Public Lender Information.

(h) For the avoidance of doubt, the election by any Lender pursuant to paragraph (b) above and the appointment of any person as an Information Nominee, and the receipt of any Confidential Information by any such Lender or Information Nominee, shall, in each case, be subject to compliance with Clause 28 (*Disclosure of Information*).

23. FINANCIAL COVENANTS

The financial covenants in this Clause 23 are granted in favour of each Finance Party by RigCo and such financial covenants shall remain in force throughout the Security Period and are to be measured on a quarterly basis.

23.1 Financial definitions

When used in this Clause 23 (*Financial Covenants*) the below terms shall have the meanings set out below:

"**Additional Indebtedness**" means any interest-bearing Financial Indebtedness incurred by members of the RigCo Group pursuant to:

(a) any Incremental Facility;

(b) any Refinancing Facility; and

(c) any Guarantee Facility (but only to the extent the principal amount of Financial Indebtedness thereunder has not been cash collateralised).

"**Adjusted EBITDA**" means, in relation to a Relevant Period, EBITDA for that Relevant Period adjusted by:

(a) including the operating profit (calculated on the same basis as EBITDA) of a member of the RigCo Group (or attributable to a business or assets) acquired during the Relevant Period, for that Relevant Period prior to it becoming a member of the RigCo Group or (as the case may be) prior to the acquisition of the business or assets, provided that:

(i) in the event that a member of the RigCo Group acquires rigs or rig owning entities with a firm charter contract in place and historical operating profit information (calculated on the same basis as EBITDA) is available for the rigs' or relevant entities' previous ownership but not in respect of the whole of the Relevant Period, such operating profit shall be annualised to represent operating profit (calculated on the same basis as EBITDA) for the Relevant Period and included within EBITDA, provided that such firm charter contract remained in place for the remainder of the Relevant Period; and

(ii) in the event that a member of the RigCo Group acquires rigs or rig owning companies without historical operating profit information (calculated on the same basis as EBITDA) available, RigCo may calculate the future projected operating profit (calculated on the same basis as EBITDA) for the next twelve (12) months subject to any such new rig having (i) a firm charter contract in place at the time of delivery of the rig with a duration of minimum twelve (12) months and (ii) a firm charter contract in place at the time of such operating profit calculation, and such future projected operating profit (calculated on the same basis as EBITDA) shall be included within EBITDA for the Relevant Period, provided RigCo provides the Agent with a detailed calculation of the future projected operating profit; and

(b) excluding the operating profit (calculated on the same basis as EBITDA) of a member of the RigCo Group (or attributable to a business or assets) disposed of during the Relevant Period, for that part of the Relevant Period prior to such disposal.

"**Cash**" means:

(a) cash in hand legally and beneficially owned by a member of the RigCo Group;

(b) cash deposits legally and beneficially owned by a member of the RigCo Group and which are held in any account being the subject of any RigCo Account Charge or the Cash Sweep Accounts; and

(c) all other cash deposits legally and beneficially owned by a member of the RigCo Group and which are held in any other bank accounts (whether held in a bank account of a member of the RigCo Group or in the account of the relevant bank or other financial institution in favour of which such cash collateral was posted) which in each case are:

(i) free from any Security Interest (for the avoidance of doubt, for this purpose rights of set-off and similar rights in favour of any account bank on such account bank's usual terms of business shall not constitute a Security Interest), other than pursuant to the Security Documents;

(ii) otherwise (and excluding from the requirement in this paragraph (ii) any arrangements relating to (A) Security Interests pursuant to the Security Documents and/or (B) cash deposits subject to exchange or capital controls or similar legal requirements to which the relevant member of the RigCo Group or its directors is subject) at the free and unrestricted disposal of the relevant member of the RigCo Group by which it is owned; and

(iii) otherwise, in the case of cash deposits legally and beneficially owned by a member of the RigCo Group other than RigCo or Cash Pool Co (and excluding from the requirement in this paragraph (iii) any arrangements relating to (A) Security Interests pursuant to the Security Documents and/or (B) cash deposits subject to exchange or capital controls or similar legal requirements to which the relevant member of the RigCo Group or its directors is subject), capable or would, upon the occurrence of an Event of Default, become capable of being paid without restriction to RigCo or Cash Pool Co within five (5) Business Days of request or demand therefor by way of dividend or equity injection or by way of loan or by way of a repayment of principal (or the payment of interest thereon) in respect of an intercompany loan from RigCo or Cash Pool Co to that member of the RigCo Group.

"**Cash and Cash Equivalents Collateral**" means cash collateral and collateral over Cash Equivalents posted by a member of the RigCo Group which is secured in favour of persons other than the Common Security Agent (on behalf of the Senior Secured Finance Parties).

"**Cash Equivalents**" means at any time:

(a) any investment in marketable debt obligations issued or guaranteed by (i) a government of the United States of America, United Kingdom, Norway, or an EEA Member Country or (ii) an instrumentality or agency of such governments and in respect of (i) and (ii) having a credit rating of either A-1 or higher by Standard & Poor's Rating Group Services or the equivalent with any other principal credit rating agency in the United States of America or an EEA Member Country, maturing within one (1) year

after the relevant date of calculation and not convertible or exchangeable to any other security;

(b) commercial paper (debt obligations) not convertible or exchangeable to any other security;

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in the United States of America, the United Kingdom or Norway;

(iii) which matures within one (1) year after the relevant date of calculation; and

(iv) which has a credit rating of at least A-1 or higher by Standard & Poor's Rating Group Services or the equivalent with any other principal credit rating agency in the United States of America or an EEA Member Country;

(c) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Group Services or the equivalent with any other principal credit rating agency in the United States of America or an EEA Member Country, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (b) above and (iii) can be turned into cash on not more than five (5) days' notice; or

(d) any other debt security approved by the Required Majority,

in each case to which any member of the RigCo Group is alone (or together with other members of the RigCo Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the RigCo Group or subject to any Security Interest other than any security permitted pursuant to the Finance Documents.

"**EBITDA**" means, in respect of any Relevant Period, the consolidated operating profit of the RigCo Group before taxation (including the results from discontinued operations):

(a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the RigCo Group (calculated on a consolidated basis) in respect of that Relevant Period;

(b) not including any accrued interest owing to any member of the RigCo Group;

(c) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the RigCo Group (and taking no account of the reversal of any previous impairment charge made in that Relevant Period);

(d) before taking into account any Exceptional Items;

(e) before any adjustment for non-cash charges or gains related to defined benefit schemes;

(f) before taking into account any gains and/or losses arising from a disposal of any asset to any person that is not a member of the RigCo Group or an upward or downward revaluation of any other asset;

(g) before deducting any fees, costs and expenses, stamp, registration and other Taxes incurred by or any member of the RigCo Group in connection with any Permitted Investment/Acquisition;

(h) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);

(i) adding back any costs or losses recovered through a claim under any insurance, warranty or indemnity;

(j) adding back any business interruption or loss recovered through insurance proceeds; and

(k) adding back any non-cash charges relating to any employee equity plan or management incentive plan;

(l) excluding any costs or provisions relating to any share option or similar scheme; and

(m) before any allowance for excepted credit loss expense relating to operational items,

in each case to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the RigCo Group before taxation.

"**Exceptional Items**" means any material items of an unusual or non-recurring nature which represent a gain or loss or cost arising on or in relation to:

(a) the restructuring of any member of the Group (including the restructuring of the Group occurring at the Effective Time or as a result of a Permitted Group Restructuring) or other restructuring charge;

(b) disposals, revaluations, write downs or impairment of non-current assets;

(c) disposals of assets associated with discontinued operations; or

(d) any fees, cash, stamp duty, registration fees or Taxes related to any equity offering, investments, disposals, acquisitions, incurrence of Financial Indebtedness or other activities permitted under the terms of the Finance Documents.

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Net Funded Debt**" means, at any time, the aggregate of all outstanding principal amounts under the Secured Bank Facilities Agreements and any Additional Indebtedness less the aggregate amount of (i) Cash and Cash Equivalents and (ii) Cash and Cash Equivalents Collateral (excluding, for this purpose, any cash collateral provided in respect of any Guarantee Facility) which does not exceed the Permitted Cash and Cash Equivalents Collateral Threshold at that time.

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

"**Relevant Period**" means each period of twelve (12) months ending on or about the last day of each Financial Quarter.

"**RigCo Covenant Liquidity**" means, as at any date, the aggregate amount of Cash and Cash Equivalents of the RigCo Group plus the aggregate amount of any Cash and Cash Equivalents Collateral which does not exceed the Permitted Cash and Cash Equivalents Collateral Threshold.

"**Super Senior Debt**" means, at any time, the aggregate of all outstanding principal amounts under the New Money Facility Agreement (including in respect of any Incremental Facility).

"**Super Senior Gross Leverage Ratio**" means, in respect of any Relevant Period, the ratio of Super Senior Debt on the last day of that Relevant Period to Adjusted EBITDA in respect of that Relevant Period of the RigCo Group.

"**Total Net Leverage Ratio**" means, in respect of any Relevant Period, the ratio of Net Funded Debt on the last day of that Relevant Period to Adjusted EBITDA in respect of that Relevant Period of the RigCo Group.

23.2 RigCo Group minimum liquidity

(a) The RigCo Group Minimum Liquidity Requirement shall apply at all times but shall only be tested on each Quarter Date.

(b) RigCo shall procure that RigCo Covenant Liquidity will not be less than USD 175,000,000 at any time (the "**RigCo Group Minimum Liquidity Requirement**").

23.3 Super Senior Gross Leverage Ratio

(a) The Super Senior Gross Leverage Ratio will first be tested in respect of the Relevant Period ending on 30 September 2023 and thereafter in respect of each Relevant Period ending on each Quarter Date.

(b) RigCo shall procure that the Super Senior Gross Leverage Ratio shall:

(i) in respect of the Relevant Periods ending on 30 September 2023, 31 December 2023, 31 March 2024 and 30 June 2024, be equal to or less than 1.6x;

(ii) in respect of the Relevant Periods ending on 30 September 2024, 31 December 2024, 31 March 2025 and 30 June 2025, be equal to or less than 1.5x;

(iii) in respect of the Relevant Periods ending on 30 September 2025, 31 December 2025, 31 March 2026 and 30 June 2026, be equal to or less than 1.4x; and

(iv) in respect of any Relevant Period ending on or after 30 September 2026, be equal to or less than 1.3x.

23.4 Total Net Leverage Ratio

(a) The Total Net Leverage Ratio will first be tested in respect of the Relevant Period ending on 30 September 2023 and thereafter in respect of each Relevant Period ending on each Quarter Date.

(b) RigCo shall procure that the Total Net Leverage Ratio shall:

(i) in respect of the Relevant Periods ending on 30 September 2023, 31 December 2023, 31 March 2024 and 30 June 2024, be equal to or less than 5.0x;

(ii) in respect of the Relevant Periods ending on 30 September 2024, 31 December 2024, 31 March 2025 and 30 June 2025, be equal to or less than 4.5x;

(iii) in respect of the Relevant Periods ending on 30 September 2025, 31 December 2025, 31 March 2026 and 30 June 2026, be equal to or less than 4.0x; and

(iv) in respect of any Relevant Period ending on or after 30 September 2026, be equal to or less than 3.5x.

23.5 Financial testing

(a) The financial covenants set out in Clause 23.3 (*Super Senior Gross Leverage Ratio*) and 23.4 (*Total Net Leverage Ratio*) shall be calculated in accordance with the Accounting Principles applicable to the 2020 Seadrill Financial Statements and such financial covenants shall be tested by reference to the latest financial statements of the Parent delivered under this Agreement (whether audited or unaudited) (as adjusted to reflect the Accounting Principles applicable to the 2020 Seadrill Financial Statements and as adjusted to determine the applicable RigCo Group financial position in accordance with the latest RigCo Group Reconciliation Statement delivered under this Agreement) and each Compliance Certificate.

(b) The RigCo Covenant Liquidity shall be tested in accordance with Clause 23.2 (*RigCo Group minimum liquidity*) and reported in each Compliance Certificate.

24. UNDERTAKINGS

Each Obligor and, where specifically stated, the Parent gives the undertakings set out in this Clause 24 to each Finance Party and such undertakings shall remain in force throughout the Security Period.

24.1 Authorisations etc.

Each of the Obligors shall (and the Obligors shall procure that each Security Provider will) promptly:

(a) obtain, comply and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Agent (if so requested) of,

any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

24.2 Compliance with laws and sanctions

(a) Each of the Obligors shall, and shall procure that each member of the Group and any Non-Recourse Subsidiary will, comply in all respects with all laws and regulations and

constitutional documents to which it and the relevant Drilling Unit may be subject, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

(b) Each of the Obligors shall, and shall procure that each member of the Group and any Non-Recourse Subsidiary will, comply in all respects with Sanctions, including, but not limited to, laws, regulations and executive orders relating to the U.S. economic embargoes of countries, entities or individuals as administered by the Treasury Department, Office of Foreign Assets Control.

24.3 Environmental compliance

Each Obligor shall (and RigCo shall procure that each member of the RigCo Group will):

(a) comply with all Environmental Laws;

(b) obtain, maintain and ensure compliance with all requisite Environmental Approvals; and

(c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has, or is reasonably likely to have, a Material Adverse Effect.

24.4 Taxation

(a) Each Obligor shall (and the Parent shall procure that each member of the Group and any Non-Recourse Subsidiary will) pay and discharge all material Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under Clause 22.1 (*Financial statements*); and

(iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

(b) None of the Obligors may change its residence for Tax purposes, other than as part of or pursuant to a Permitted Group Restructuring. The Finance Parties agree to discuss with the Obligors' Agent and the Parent in good faith any amendments to the provisions of this Agreement relating to Tax due to a proposed change to any Obligor's residence for Tax purposes as part of or pursuant to a Permitted Group Restructuring (including the incorporation of provisions on market standard terms for the relevant jurisdiction relating to the allocation of Tax deduction and withholding Tax risk, such as "Qualifying Lender" and related provisions on market standard terms) following a request in writing from the Obligors' Agent or the Parent which includes an explanation of the reason(s) for the change(s), and each of the Finance Parties, the Obligors' Agent and the Parent agrees to act reasonably in relation to any such request and change(s). For the avoidance of doubt, the Finance Parties are under no obligation to agree to such proposed amendments, but in the event that an Obligor changes or intends to change its tax residence as part of or pursuant to a Permitted Group Restructuring:

(i) the Obligor shall promptly notify the Agent (and the Agent, upon receipt of such notification, shall inform the Lenders); and

(ii) each Lender and such Obligor shall co-operate in completing any procedural formalities required to be completed to enable the Obligor to make any payment to the Lenders without any Tax Deduction under the laws of the jurisdiction in which the Obligor is or will be resident for tax purposes following such change (including by way of a Lender notifying its status and details under the HMRC DT Treaty Passport Scheme, where applicable), provided however that to the extent any Lender fails to complete any such procedural formalities and as a result the Obligor is not able to make payment to such Lender without any Tax Deduction, the rights of such Lender under Clause 14.2.2 (*Tax gross-up*) shall not be affected.

(c) A Finance Party is not obliged to take any steps under paragraph (b) above if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

24.5 Pari passu ranking

Each of the Obligors shall ensure that its and each Security Provider's obligations under the Finance Documents do and will rank at least pari passu with all its other present and future unsecured and unsubordinated obligations, except for those obligations which are preferred by mandatory law applying to companies generally in the jurisdictions of their incorporation or in the jurisdiction in the ports of calls.

24.6 Title

Subject to any disposal or other transaction in accordance with the terms of this Agreement, each Drilling Unit Owner shall, and RigCo shall procure that all Intra-Group Charterers shall (to the extent applicable), hold full legal title to and own the entire beneficial interest in the Drilling Units and its rights under or to (i) any Charter Contract, (ii) the Intra-Group Charterparties, (iii) the Insurances and (iv) any Earnings, free of any Security Interest and other interests and rights of every kind, except for:

(a) any Security Interest or such other interests or rights:

(i) created by the Security Documents or, if applicable, any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements; or

(ii) which constitute a Drilling Unit Permitted Encumbrance;

(b) subject to Clause 25.4 (*Alteration to the Drilling Units*), any rights or interests arising pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.; and

(c) any rights of set-off arising under any Charter Contract, any Intra-Group Charterparty or in respect of any Earnings.

24.7 Negative pledge

(a) Subject to paragraphs (b), (c) and (d) below, the Parent shall not, and shall procure that no member of the Group shall, create or permit to exist any Security Interest over any

of its present or future undertakings, property, assets, rights or revenues (whether secured by the Security Documents or not), save for any Permitted Encumbrances.

(b) No Obligor shall, and the Obligors shall procure that no Security Provider (other than any Additional Security Provider) shall, permit any further Security Interest on any asset subject to any Security Interest under any of the Security Documents, save for:

(i) any Drilling Unit Permitted Encumbrance;

(ii) any other Security Interest listed in paragraph (b) or (c) of Clause 24.6 (*Title*);

(iii) any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements;

(iv) any Security Interest permitted by paragraph (a) above in respect of assets which are subject to a Security Interest expressed to comprise a Floating Charge and not any other Security Interest under any of the Security Documents; and

(v) subject to the restrictions in Clause 24.6 (*Title*) in the case of each Drilling Unit Owner and Intra-Group Charterer and provided that none of the following Security Interests shall be permitted by virtue of this paragraph (b)(v) in respect of any shares or other ownership interest in RigCo and any Drilling Unit Owner or Intra-Group Charterer:

(A) any netting or set-off arrangement entered into by any such Obligor or Security Provider in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the RigCo Group (including as part of any multi-account overdraft, group cash pool or group cash management arrangements);

(B) any lien arising by operation of law and in the ordinary course of business and not as a result of any default or omission by any such Obligor or Security Provider;

(C) any Security Interest arising in connection with any unpaid Tax where the Tax is not yet due and payable or where the liability to pay such Tax is being contested in good faith by appropriate proceedings;

(D) any Security Interest arising under any court order or injunction or for costs arising in connection with any litigation or court proceedings being contested by such Obligor or Security Provider in good faith; and

(E) any attachment or judgment Security Interest or Security Interest otherwise arising as a result of legal proceedings and assessments by authorities not constituting an Event of Default.

(c) No Drilling Unit Owner or Intra-Group Charterer shall create or permit to subsist any Security Interest over any of its present or future undertakings, property, assets, rights or revenues (whether secured by the Security Documents or not), save for:

(i) any Drilling Unit Permitted Encumbrances;

(ii) any other Security Interest listed in paragraphs (b) or (c) of Clause 24.6 (*Title*);

(iii) any Security Interest created pursuant to the Security Documents;

(iv) any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements; and

(v) subject to the restrictions in Clause 24.6 (*Title*), any Security Interest listed under paragraphs (b)(v)(A) to (E) above.

(d) No Drilling Unit Owner or Intra-Group Charterer shall encumber any employment contract in respect of any of the Drilling Units, save for:

(i) any Security Interests created pursuant to the Security Documents;

(ii) any Drilling Unit Permitted Encumbrances;

(iii) any other Security Interest listed in paragraphs (b) or (c) of Clause 24.6 (*Title*); and

(iv) any Security Interest granted in favour of the lenders under a Refinancing Facility in accordance with the terms of the Secured Bank Facilities Agreements.

24.8 Change of business

(a) The Parent shall ensure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on as of the Effective Time.

(b) Except with (i) the prior written consent of the Agent (acting on the instructions of the Required Majority), (ii) pursuant to a Permitted Group Restructuring, or (iii) otherwise pursuant to any disposal, termination or other transaction permitted by this Agreement, no Obligor will:

(i) cease to carry on, or make any change to the general nature of, its business and activities as conducted as of the date hereof, or carry on any other business, except for any similar related business as presently conducted; or

(ii) change the place of its jurisdiction of incorporation or its organisation.

24.9 Stock Exchange Listing

(a) The Parent shall procure that its shares are listed on the Euronext Expand (and thereafter shall maintain such listing until the Parent is listed on the Oslo Stock Exchange) and subsequently on the Oslo Stock Exchange (and thereafter shall maintain such listing):

(i) in respect of the Euronext Expand, by the later of (i) the date falling nine (9) weeks after the Effective Time and (ii) as soon as reasonably practicable after, and in any event not later than six (6) weeks after, the Euronext Expand Listing Conditions are satisfied; and

(ii) in respect of the Oslo Stock Exchange, as soon as reasonably practicable after, and in any event not later than nine (9) weeks after, listing on the Euronext

Expand and meeting the applicable requirements for listing on the Oslo Stock Exchange.

(b) If the Parent is not listed on the Euronext Expand by the date falling nine (9) weeks after the Effective Time then it will enter into good faith discussions with the Agent on behalf of the Lenders regarding the current status of listing and any steps available to the Parent and the Lenders to secure a listing on the Euronext Expand as soon as reasonably practicable.

(c) The Parent shall procure, subject to meeting the applicable requirements for such listing, that its shares are listed on either the New York Stock Exchange or the OTCQX as soon as reasonably practicable on or after listing on the Oslo Stock Exchange (and thereafter shall maintain such listing until, in the case of the OTCQX, its shares are listed on the New York Stock Exchange).

(d) If pursuant to the requirements of paragraph (c) above the Parent lists its shares on the OTCQX then the Parent shall, following the listing of its shares on the OTCQX and subject to and as soon as reasonably practicable after meeting the applicable requirements for listing on the New York Stock Exchange, and in any event not later than six (6) weeks after meeting the applicable requirements for such listing, procure that its shares are listed (and thereafter shall maintain such listing) on the New York Stock Exchange, unless the Required Majority have agreed that the Parent may list its shares on the OTCQX without the need to procure a listing on the New York Stock Exchange.

(e) If the Parent is not listed on the Oslo Stock Exchange by the date falling eighteen (18) weeks after the Effective Time then it will enter into good faith discussions with the Agent on behalf of the Lenders regarding the current status of its listing and any steps available to the Parent and the Lenders to secure a listing on the Oslo Stock Exchange and/or the New York Stock Exchange as soon as reasonably practicable.

(f) The Parent shall take all reasonable steps available to it for the purposes of securing the listings referred to in paragraphs (a), (c) and (d) above as soon as reasonably practicable.

24.10 Finance Documents

The Obligors shall, and the Obligors shall procure that the Security Providers shall, perform all of their obligations under the Finance Documents at all times in the manner and upon the terms set out therein.

24.11 Mergers and demergers

Except with the prior written consent of the Agent (acting on the instructions of the Required Majority) or pursuant to a Permitted Group Restructuring, and other than any merger in respect of the Parent to which Clause 8.5 (*Change of control*) applies, no Obligor shall:

(a) enter into any merger or consolidation with any other company other than:

(i) if the relevant Obligor is a member of the RigCo Group, with another member of the RigCo Group;

(ii) where the Obligor will survive as a separate legal entity, or in case of a merger or consolidation between two Obligors at least one Obligor will survive as a separate legal entity, in both cases the surviving Obligor remaining bound in all respects by its obligations and liabilities under the Finance Documents; and

(iii) where the Drilling Unit Owners will continue to be special purpose companies, owning only their relevant Drilling Units and any rights or other assets ancillary or incidental thereto;

(b) demerge itself into any two or more companies other than:

(i) in connection with a Disposal permitted pursuant to the terms of Clause 8.2 (*Sale or disposal*), provided that any company resulting from the demerger which is not the subject of a Disposal pursuant to Clause 8.2 (*Sale or disposal*) will after the demerger continue to be a member of the RigCo Group and remain or become (as the case may be) an Obligor hereunder in accordance with the terms of this Agreement; and

(ii) in all other cases:

(A) if the relevant Obligor is a member of the RigCo Group, where such companies will after the demerger continue to be members of the RigCo Group; and

(B) such companies remain or become (as the case may be) Obligors hereunder in accordance with the terms of this Agreement; or

(c) undertake any corporate reconstruction other than as permitted by paragraphs (a) and/or (b) above.

24.12 Financial year

Except with the prior written consent of the Agent (acting on the instructions of the Required Majority), neither the Parent nor RigCo shall alter its financial year end.

24.13 Earnings Accounts

(a) RigCo shall, and/or shall procure that the relevant Drilling Unit Owner and/or Intra-Group Charterer shall, open and maintain for the duration of the Facility one or more Earnings Accounts in its name or, as applicable, the name of the relevant Drilling Unit Owner and/or Intra-Group Charterer, and shall procure that all Earnings (excluding service income for manning, services and procurement etc. held with separate third party contractors for the purpose of optimizing the fiscal structure of the drilling operations) in respect of the Drilling Units are (i) credited to an Earnings Account and (ii) subject to the security arrangements contemplated by this Agreement.

(b) Amounts in any and all Earnings Accounts shall be freely available to RigCo, the Drilling Unit Owners and/or the Intra-Group Charterers (as applicable) provided that no notice has been given to any Obligor by the Common Security Agent that such amounts shall not be freely available.

(c) RigCo (and, if applicable, each relevant Drilling Unit Owner and/or Intra-Group Charterer) shall provide available statements regarding any Earnings Account opened in its name upon reasonable request from the Common Security Agent.

24.14 Restrictions on Financial Indebtedness

(a) Subject to paragraphs (b), (c) and (d) below, the Parent shall not, and shall procure that no member of the Group shall, incur or permit to subsist any Financial Indebtedness owed or to be owed by it, other than any Permitted Financial Indebtedness.

(b) No Obligor (other than the Parent and RigCo) shall incur, create or permit to subsist any Financial Indebtedness owed or to be owed by it other than:

(i) Financial Indebtedness incurred under the Senior Secured Finance Documents as at the Effective Time or under any Incremental Facility;

(ii) Financial Indebtedness incurred under a Refinancing Facility;

(iii) any loans, advances or other credit made or extended to any Drilling Unit Owner, Intra-Group Charterer or any other Obligor (other than the Parent) where such loan, advance or credit is made or extended by RigCo or another member of the RigCo Group, provided that the liabilities of the relevant Drilling Unit Owner, Intra-Group Charterer or other Obligor (other than the Parent) to repay such loan, advance or credit are subordinated to the Secured Obligations pursuant to the Intercreditor Agreement;

(iv) Financial Indebtedness existing at the Effective Time (but only to the extent the relevant Financial Indebtedness and the Obligors for which such Financial Indebtedness is applicable are disclosed in writing to the Agent prior to the Effective Time);

(v) Financial Indebtedness which arises from any netting or set-off arrangement entered into by any such Obligor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the RigCo Group (including as part of any multi-account overdraft, group cash pool or group cash management arrangements);

(vi) Financial Indebtedness which is a liability (i) under any advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services, or (ii) arising under any commercial agreement or arrangement by virtue of the extension, deferral, reduction or other variation of payment terms, in each case in the ordinary course of business; or

(vii) Financial Indebtedness consented to by the Agent (acting on the instructions of the Required Majority).

(c) RigCo shall procure that no member of the RigCo Group (other than RigCo) shall incur, create or permit to subsist any intra-group loan liability other than to RigCo or another member of the RigCo Group.

(d) Any intra-group liability owed by any Obligor to another member of the RigCo Group shall be subordinated to the Secured Obligations pursuant to the Intercreditor Agreement.

24.15 Transactions with Affiliates

The Parent shall procure that all transactions entered into by any member of the Group with an Affiliate are made on arm's length terms (as determined by the board of directors of the relevant entity or a member of senior management of the Parent or RigCo, in each case acting reasonably), other than:

(a) transactions and payments expressly permitted under this Agreement or entered into in the ordinary course of that member of the Group's business with another member of the Group;

(b) transactions arising pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc. (other than between a Non-Recourse Subsidiary and any other member of the Group); and

(c) intra-group loans owed by or to a member of the RigCo Group where granted or owed by another member of the RigCo Group or owed by or to a member of the Seadrill Group where granted or owed by another member of the Seadrill Group and, in each case, not otherwise prohibited by the terms of this Agreement.

24.16 Disposals

(a) Subject to paragraph (b) below, the Parent shall not, and shall procure that no member of the Group shall, enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any asset or its economic interest, other than any Permitted Disposal.

(b) No Obligor shall, and the Obligors shall procure that no Security Provider (other than any Additional Security Provider) shall, enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of its economic interest in any asset being the subject of a Security Interest pursuant to the Security Documents other than any sale or disposal:

(i) in accordance with Clause 8.2 (*Sale or disposal*);

(ii) pursuant to a Permitted Group Restructuring;

(iii) of a Material IP Right, provided that the disposal of such Material IP Right is to a member of the Group and the Finance Parties will continue to have the same or substantially equivalent security over any such Material IP Right;

(iv) which is the granting of any licence of Intellectual Property in the ordinary course of business;

(v) contractually committed to or agreed to by an Obligor and/or Security Provider as at the Effective Time (but only to the extent the relevant disposal and the Obligors and/or Security Providers for which such disposal is applicable are disclosed in writing to the Agent prior to the Effective Time);

(vi) which is the granting of any lease, drilling contract, charter, bareboat charter or operating lease, in each case entered into in the ordinary course of business and including any lease or charter (including bareboat charter) entered into with any joint venture or similar arrangement contemplated by and in accordance with Clause 24.21(f) (*Ownership*);

(vii) to give effect to any ownership structure or joint venture or similar arrangement contemplated by and in accordance with Clause 24.21(f) (*Ownership*);

(viii) permitted pursuant to Clause 24.11 (*Mergers and demergers*);

(ix) which is the application of cash not otherwise prohibited by the terms of this Agreement;

(x) pursuant to any Security Interest permitted by Clause 24.7 (*Negative pledge*) in respect of Obligors and Security Providers;

(xi) to a member of the RigCo Group subject to complying with Clause 27.3 (*Changes to the Guarantors*) and the terms of this Agreement;

(xii) pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group in accordance with the terms of this Agreement (including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.);

(xiii) of any Earnings, transfer of funds from the Earnings Accounts or in respect of any Insurance in each case in compliance with any applicable terms of Finance Documents;

(xiv) of any asset subject to a Security Interest expressed to comprise a Floating Charge and not any other Security Interest under any of the Security Documents where the disposal of such asset is permitted by paragraph (a) above; or

(xv) consented to by the Agent (acting on the instructions of the Required Majority).

24.17 Financial Support

(a) Subject to paragraphs (b), (c) and (d) below, the Parent shall not, and shall procure that no member of the Group shall, provide, issue, create or permit to subsist (where provided by it) any Financial Support (including contingent Financial Support), other than any Permitted Financial Support.

(b) No Obligor (other than the Parent, RigCo and any Intra-Group Charterer not being an intra-group charterer only in respect of the Drilling Units) shall, and the Obligors shall procure that no Security Provider (other than any Additional Security Provider) shall provide, issue, create or permit to subsist (where provided by it) any Financial Support (including contingent Financial Support) other than:

(i) Financial Support existing at the Effective Time (but only to the extent the relevant Financial Support and the Obligors and/or Security Providers for which such Financial Support is applicable are disclosed in writing to the Agent prior to the Effective Time);

(ii) Financial Support to the extent that it comprises Financial Indebtedness permitted in respect of Obligors and Security Providers pursuant to Clause 24.14 (*Restrictions on Financial Indebtedness*);

(iii) where provided for the benefit of any Drilling Unit Owner or Intra-Group Charterer, or otherwise to facilitate or secure the employment of any Drilling Unit, any guarantee, indemnity or similar arrangement under or pursuant to any Intra-Group Charterparty or Charter Contract for or in respect of any Drilling Unit or otherwise customarily provided under the terms of any charter or other agreement or other arrangement relating to the employment, use, possession, management, maintenance, improvement or other alteration, storage and/or operation of any Drilling Unit;

(iv) Financial Support comprising any equity injections or equity contributions to its Subsidiaries which are members of the RigCo Group;

(v) Financial Support which is provided, procured, created or permitted to subsist in the ordinary course of trading;

(vi) Financial Support arising pursuant to the provision of any administrative, accounting, management or operational services in the ordinary course of business;

(vii) Financial Support arising pursuant to the ongoing capital equipment and spare parts arrangements operated by any member of the RigCo Group including, but not limited to, those operated by Seadrill Global Services and/or Seadrill Americas, Inc.;

(viii) which constitutes an Investment or Acquisition permitted to be made by such Obligor or Security Provider pursuant to Clause 24.20 (*Investments and Acquisitions*); or

(ix) Financial Support consented to by the Agent (acting on the instructions of the Required Majority),

provided in each case that the permissions set out in paragraphs (i) to (viii) above shall not permit the Obligors or Security Providers to provide Financial Support (directly or indirectly) to any Non-Recourse Subsidiary or the NSNCo Group.

(c) RigCo shall not provide, procure, create or permit to subsist any intra-group loans from it to any member of the Group other than:

(i) RigCo Upstream Loans; or

(ii) loans to any member of the RigCo Group.

(d) Any Obligor (other than the Parent and RigCo) shall not provide, procure, create or permit to subsist any intra-group loans from it to any member of the Group other than members of the RigCo Group.

24.18 Centre of Main Interest

Other than pursuant to a Permitted Group Restructuring, none of the Obligors shall change its centre of main interest or establishment to another jurisdiction without obtaining the prior written consent from the Agent (acting on the instructions of the Required Majority). If requested by the Parent, the Finance Parties agree to discuss with the Obligors' Agent and the Parent in good faith any amendments to the provisions of this Agreement relating to Tax (including the incorporation of provisions on market standard terms for the relevant jurisdiction relating to the allocation of Tax deduction and withholding Tax risk) following a request in writing from the Obligors' Agent and the Parent which includes an explanation of the reason(s) for the change(s), and each of the Finance Parties, the Obligors' Agent or the Parent agrees to act reasonably in relation to any such request and change(s). For the avoidance of doubt, the Finance Parties are under no obligation to agree to such proposed amendments.

24.19 Assignment of contracts

If an Event of Default has occurred and is continuing the Obligors will, upon the Common Security Agent's request, use best endeavours to assign the rights and obligations under contracts pertaining to the Drilling Units (with members of the RigCo Group as well as ultimate charterers) or any of them to one or several parties nominated by the Common Security Agent.

24.20 Investments and Acquisitions

(a) Subject to paragraph (b) below, the Parent shall not, and shall procure that no member of the Group shall, make any Investments or Acquisitions other than any Permitted Investment/Acquisition.

(b) The Drilling Unit Owners shall not make any Investments or Acquisitions, except:

(i) pursuant to a Permitted Group Restructuring;

(ii) any Investment or Acquisition which arises pursuant to any legally binding obligation, commitment or arrangement of a Drilling Unit Owner existing at the Effective Time (but only to the extent the relevant Investment or Acquisition and the Drilling Unit Owners for which such Investment or Acquisition is applicable are disclosed in writing to the Agent prior to the Effective Time); and

(iii) any Investment or Acquisition described under paragraph (l) of the definition of "Permitted Investment/Acquisition" (but only in circumstances where the relevant Drilling Unit Owner leases or charters one or more of its Drilling Units to the relevant joint venture entity or Subsidiary of that joint venture entity and subject always to compliance with the requirements of Clause 24.21(f) (*Ownership*)).

(c) For the avoidance of doubt, this Clause 24.20 will not restrict any capital expenditure or investment related to upgrade or maintenance work in respect of any Drilling Unit or otherwise in the ordinary course of business or in accordance with Clause 25.4 (*Alteration to the Drilling Units*).

24.21 Ownership

(a) The Parent shall keep one hundred per cent (100%) ownership (capital and voting rights) in each of IHCo and RigCo, either directly or indirectly.

(b) IHCo shall keep one hundred per cent (100%) direct ownership (capital and voting rights) in RigCo.

(c) RigCo shall keep one hundred per cent (100%) direct ownership (capital and voting rights) in Cash Pool Co and the Borrower.

(d) RigCo shall, subject to paragraph (f) below and any transaction or disposal in accordance with the terms of this Agreement, keep one hundred per cent (100%) ownership (capital and voting rights) in each of the Guarantors (other than the Parent and Cash Pool Co), Seadrill Management, Seadrill Global Services and Seadrill Americas, Inc., either directly or indirectly.

(e) The Drilling Units shall be owned by the respective Drilling Unit Owner as set out in Schedule 3 (*The Drilling Units*), subject to paragraph (f) below and any transaction or disposal in accordance with the terms of this Agreement. For the avoidance of doubt, a Drilling Unit Owner may own more than one Drilling Unit at any time (where the acquisition of the relevant Drilling Unit is made pursuant to a Permitted Group Restructuring).

(f) Drilling Unit Owners and Intra-Group Charterers may be less than one hundred per cent (100%) owned (directly or indirectly) by RigCo (and shares or other ownership interests in Drilling Unit Owners or Intra-Group Charterers may be disposed of or issued or joint venture arrangements entered into, excluding to or with any Non-Recourse Subsidiary, or any member of the NSNCo Group) to the extent necessary to (i) meet local content requirements or applicable regulations for the operation of a Drilling Unit or performance of a drilling contract or the deployment of a Drilling Unit in a particular jurisdiction or (ii) secure a drilling contract or an extension of a drilling contract where the board of directors of the Parent (acting reasonably) considers the contractual arrangements with respect to such arrangements to be in the best interest of the Group and where the Parent provides details to the Agent explaining the business rationale for the same, in each case provided that:

(i) RigCo gives prior notice to the Agent and the Common Security Agent of any change of ownership of the relevant Drilling Unit Owner and/or Intra-Group Charterer;

(ii) the relevant Drilling Unit Owner and/or Intra-Group Charterers remains a Subsidiary of RigCo and the shares or other ownership interest in the relevant Drilling Unit and/or Intra-Group Charterer that remains owned by RigCo or another member of the RigCo Group shall continue to be subject to the applicable Security Interests pursuant to the Security Documents;

(iii) subject to Clause 24.6 (*Title*) the relevant Drilling Unit Owner shall continue to hold full legal title to and own the entire beneficial interest in the relevant Drilling Unit and the Insurances and the relevant Drilling Unit and Insurances shall continue to be subject to the applicable Security Interests pursuant to the Security Documents;

(iv) any lease or charter (including bareboat charter) of the relevant Drilling Unit shall be on arm's length terms for consideration which (taking into account the value attributed to the economic interest acquired or retained by the RigCo Group in

the relevant joint venture or similar arrangement) the board of directors of the Parent (acting reasonably) considers to be fair value;

(v) any Earnings arising from any lease or charter (including bareboat charter) referred to in paragraph (iv) shall continue to be subject to the applicable Security Interest pursuant to the Security Documents;

(vi) there is no Default continuing at the time the arrangement is entered into;

(vii) each Finance Party has been provided with all "know your customer" documents reasonably requested by the Agent (for itself or on behalf of any Finance Party) or any Finance Party necessary in order to comply with all "know your customer" checks under applicable laws, regulations and internal policy requirements in relation to that co-investor, such documents to be in a form and substance satisfactory to such Finance Party (acting reasonably); and

(viii) the co-investor in such Drilling Unit Owner or Intra-Group Charterer is not an entity in respect of which it is contrary to applicable law, regulation or internal policy requirements (including, but not limited to, in relation to sanctions) of any Finance Party to engage in business with.

24.22 Corrupt Practices

Each Obligor shall act in compliance with all applicable laws and regulations relating to bribery and corrupt practices and shall use all reasonable endeavours to procure that any person acting on its behalf acts in such manner in the course of acting for it.

24.23 Use of proceeds

No proceeds of a Loan shall be made available, directly or indirectly, to or for the benefit of a Restricted Party nor shall they be otherwise, directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions.

24.24 Sanctions

(a) Each Obligor shall ensure that none of their, nor any of their Subsidiaries', respective directors, officers, employees, agents or representatives or any other persons acting on any of their behalf, is a person listed on any Sanctions List.

(b) The Parent shall maintain policies and procedures designed to promote and achieve compliance by each member of the Group with applicable Sanctions.

24.25 RigCo Group cash sweep

(a) RigCo shall procure that each member of the RigCo Group (other than RigCo and Cash Pool Co) shall, on or as soon as reasonably practicable after each Interest Payment Date, transfer any cash and cash deposits legally and beneficially held by that member of the RigCo Group into the Cash Sweep Accounts, excluding:

(i) cash and cash deposits subject to exchange or capital controls or similar legal requirements to which the relevant member of the RigCo Group or its directors are subject;

(ii) cash and cash deposits where Tax and/or other fees or costs on the payment or transfer of such funds to Cash Pool Co would (A) exceed 5% of the total amount

of the relevant payment or transfer for that member of the RigCo Group and/or Cash Pool Co or (B) otherwise be an amount materially prejudicial to the relevant member of the RigCo Group and/or Cash Pool Co;

(iii) cash and cash deposits which are required by that member of the RigCo Group to meet debt service obligations from and including such Interest Payment Date until the next Interest Payment Date and ongoing financial and operating costs;

(iv) cash collateral posted by a member of the RigCo Group (whether held in a bank account of a member of the RigCo Group or in the account of the relevant bank or other financial institution in favour of which such cash collateral was posted) to the extent permitted by the terms of this Agreement; and

(v) cash and cash deposits not at the free and unrestricted disposal of the relevant member of the RigCo Group by which it is owned as a result of any Security Interest permitted by the terms of this Agreement or any joint venture or similar arrangement contemplated by, and which is in compliance with, Clause 24.21(f) (*Ownership*).

(b) RigCo shall provide evidence of the amount standing to the Cash Sweep Accounts in each Compliance Certificate and shall provide such further information evidencing compliance with this Clause as may be reasonably requested by the Agent.

24.26 Payments out of the RigCo Group

RigCo shall procure that no member of the RigCo Group shall make any payments to any other member of the Group (other than a member of the RigCo Group) except:

(a) any Junior Obligations Permitted Payment, provided that:

(i) no Event of Default is continuing under this Agreement or, in any such case, would result therefrom; and

(ii) such payments are to be promptly applied to meet the purpose for which they are being made; or

(b) any Structural Permitted Payment, provided that such payments are to be promptly applied to meet the purpose for which they are being made,

and, in each case, any such payments from RigCo to a member of the Group (other than a member of the RigCo Group) shall be made by way of repayment of Seadrill Group Downstream Loans or by way of RigCo Upstream Loans.

24.27 Parent Dividends

The Parent shall not:

(a) make any dividend payments or other distributions in respect of its share capital to its shareholders;

(b) enter into any total return swaps or enter into similar transactions with similar effect; or

(c) buy back or redeem any shares in its capital.

24.28 RigCo Dividends

RigCo shall not:

(a) make any dividend payments or other distributions in respect of its share capital to its direct or indirect shareholders;

(b) enter into any total return swaps or enter into similar transactions with similar effect; or

(c) buy back or redeem any shares in its capital.

24.29 Parent undertaking

(a) Subject to paragraph (b) below, the Parent shall not, and shall ensure that no member of the Seadrill Group shall, trade, carry on any business, own any assets, make any investment or acquisition or incur any liabilities, other than:

(i) the business or trade of a holding company and all activities incidental thereto;

(ii) the acquisition and ownership of shares in RigCo and any other Subsidiary;

(iii) the acquisition and ownership of shares in Seadrill New Finance Ltd.;

(iv) any acquisition of or investment in, and the ownership of:

(A) any minority interest in any entity not comprising a member of the Group or a member of the NSNCo Group; and

(B) any Non-Recourse Subsidiary (including, for the avoidance of doubt, the making of any Permitted Non-Recourse Subsidiary Investment);

(v) the disposal of any minority interest referred to in paragraph (iv)(A) above or any interest in any Non-Recourse Subsidiary;

(vi) the entering into, the exercise of rights and the performance of obligations under, loans and other intercompany obligations owed to, or by, (A) RigCo, (B) any Non-Recourse Subsidiary, or (C) any other Subsidiary outside the RigCo Group, each case in accordance with the terms of the Finance Documents, and any liabilities arising under such loans and intercompany obligations;

(vii) the provision of administrative services (excluding treasury services) to (A) any member of the RigCo Group, (B) any Non-Recourse Subsidiary, or (C) any other Subsidiary outside the RigCo Group, of a type customarily provided by a holding company to its Subsidiaries;

(viii) operating, exercising its rights and performing its obligations under Senior Secured Finance Documents and any liabilities under the Senior Secured Finance Documents or any documentation in respect of any other Permitted Financial Indebtedness, including but not limited to any SDRL Debt Issue and the application of cash, the transfer of funds and the granting of loans to (A) RigCo, (B) any Non-Recourse Subsidiary or (C) any other Subsidiary outside the RigCo Group, in each case in accordance with the terms of the Finance Documents;

(ix) any Permitted Financial Support or, to the extent permitted to be incurred by the Parent, Permitted Financial Indebtedness;

(x) those activities necessary or desirable for the preservation of its corporate existence and maintenance of its tax status;

(xi) participating in group tax and accounting activities (including but not limited to tax planning);

(xii) professional fees and administration costs in the ordinary course of business as a holding company;

(xiii) the acquisition and surrender of tax losses;

(xiv) arrangements relating to the remuneration (including pension and other benefits) and incentivisation of, and the indemnification of, directors, officers and employees;

(xv) exercising its rights and performing its obligations under ring-fenced legacy ship yard contracts in existence at the Effective Time to which certain members of the Seadrill Group (other than the Parent) are party; and

(xvi) as consented to in writing by the Agent (acting on the instructions of the Required Majority).

(b) Nothing in this Agreement will restrict or limit any SDRL Equity Issue.

24.30 Cash Pool Co undertaking

Cash Pool Co shall not trade, carry on any business, own any assets, make any investment or incur any liabilities except:

(a) the business or trade of holding the header accounts for the RigCo Group's cash pool, being the head company in the RigCo Group's cash pool arrangements, operating such cash pool arrangements, the incurring, creating or servicing of any Financial Indebtedness permitted pursuant to Clause 24.14 (*Restrictions on Financial Indebtedness*) and, in each case, all activities incidental thereto;

(b) the entering into, the exercise of rights and the performance of obligations under RigCo Group's cash pool arrangements, loans and other intercompany obligations owed to, or by, any member of the RigCo Group in accordance with the terms of the Finance Documents, and any liabilities arising under such loans and intercompany obligations and the opening and maintaining of the Cash Sweep Accounts (and all activities incidental thereto);

(c) operating, exercising its rights and performing its obligations under the Senior Secured Finance Documents;

(d) those activities necessary or desirable for the preservation of its corporate existence and maintenance of its tax status;

(e) participating in group tax and accounting activities (including but not limited to tax planning);

(f) professional fees and administration costs in the ordinary course of business as a cash pool header company;

(g) the acquisition and surrender of tax losses; and

(h) as consented to in writing by the Agent (acting on the instructions of the Required Majority).

25. DRILLING UNIT COVENANTS

The Obligors give the undertakings set out in this Clause 25 to each Finance Party and such undertakings shall remain in force throughout the Security Period.

25.1 Minimum Market Value

(a) The Obligors will procure that the Market Value of all the Drilling Units is at least one hundred and thirty five per cent (135%) of the sum of the Senior Secured Commitments.

(b) The covenant in paragraph (a) above has been waived by the Finance Parties up until the Final Maturity Date and the provisions of paragraph (a) above are therefore suspended until the Final Maturity Date.

25.2 Market Valuation of the Drilling Units

The Borrower shall (at its own expense):

(a) arrange for the Market Value of each of the Drilling Units to be determined and valued as at 30 June and 31 December each year and deliver each such valuation to the Agent (but not for the purpose of determining any compliance with Clause 25.1 (*Minimum Market Value*)) at the same time as delivery of each Compliance Certificate to be delivered to the Agent pursuant to Clause 22.2 (*Compliance Certificate*) for the Financial Quarters ending 30 June and 31 December each year; and

(b) if an Event of Default has occurred and is continuing, upon the request of the Agent, arrange for the Market Value of each of the Drilling Units to be determined.

25.3 Insurance

(a) Each Obligor shall maintain or ensure that each of the Drilling Units is insured against such risks, including the following risks: hull and machinery, protection & indemnity (including an adequate club cover for pollution liability as normally adopted by the industry for similar Drilling Units), hull interest and/or freight interest and war risk (including piracy, terrorism and confiscation) insurances, in such amounts and currencies, on such terms (always applying Norwegian law and including the terms of the Nordic Marine Insurance Plan of 2013 (as amended from time to time)) and with such insurers (and re-insurers, if relevant) and placed through insurance brokers as the Agent (acting on the instructions of the Required Majority (acting reasonably)) shall approve as appropriate for an internationally reputable major drilling contractor.

(b) If any insurances are placed through captive vehicles, the Borrower shall ensure (i) that proper cut-through clauses are provided in favour of the Agent (on behalf of the Finance Parties) in the re-insurance policy/-ies and evidence of the same is provided to the Agent and (ii) that the Common Security Agent (on behalf of the Senior Secured

Finance Parties) is granted an assignment over the re-insurances by way of an Assignment of Insurances. No more than ten per cent (10%) of the insurances can be placed through captive vehicles, without the prior written consent of the Agent (acting on the instructions of all the Lenders). The Borrower shall provide the Agent with details of terms and conditions of the insurances and break down of insurers. The captive vehicle is not allowed to assume a claims leadership position without the prior written consent of the Agent (acting on the instructions of all the Lenders).

(c) The insured value of each of the Drilling Units shall at all times be at least equal to or higher than the Market Value of that Drilling Unit. The aggregate insured value of the Drilling Units shall at all times be at least equal to one hundred and twenty per cent (120%) of the outstanding Senior Secured Commitments, provided that, for so long as the amount representing one hundred and twenty per cent (120%) of the outstanding Senior Secured Commitments is higher than the Market Value of the relevant Drilling Unit and (i) the relevant Drilling Unit Owner (or RigCo on behalf of any of them) has used all reasonable efforts to secure insurance for the Drilling Units for an aggregate insured value greater than or equal to one hundred and twenty per cent (120%) of the outstanding Senior Secured Commitments and (ii) the Group's insurance broker or advisor has confirmed that such insurance at such level is not available in the market and RigCo provides evidence of such confirmation to the Agent, the relevant Drilling Unit Owner (or RigCo on behalf of any of them) shall only be required to seek as high an aggregate insured value as the Group's insurance broker or advisor confirms is available in the market, subject to a minimum of the higher of (x) the aggregate Market Value of the Drilling Units and (y) the amount representing one hundred per cent (100%) of the outstanding Senior Secured Commitments.

(d) The aggregate insurance value of the Drilling Units pursuant to paragraph (c) above shall be updated on a semi-annual basis by reference to the regular rig valuations provided pursuant to Clause 25.2 (*Market Valuation of the Drilling Units*).

(e) The value of the hull and machinery insurance for each Drilling Unit shall cover at least eighty per cent (80%) of the Market Value of that Drilling Unit, and the aggregate insured values in the hull and machinery insurances of the Drilling Units shall at all times be at least equal to the outstanding Senior Secured Commitments.

(f) The Borrower shall procure that the Common Security Agent (on behalf of the Senior Secured Finance Parties) is noted as first priority mortgagee and sole loss payee in the insurance contracts, together with the confirmation from the underwriters to the Common Security Agent that the notice of assignment with regards to the Insurances and the loss payable clauses (with a monetary threshold of USD 25,000,000) are noted in the insurance contracts and that standard letters of undertaking confirming this are executed by the insurers, always provided that the evidence thereof is in form and substance satisfactory to the Common Security Agent (acting on the instructions of all the Senior Secured Lenders). RigCo shall provide the Agent and the Common Security Agent with details of terms and conditions of the insurances and break down of insurers.

(g) Not later than seven (7) days prior to the expiry date of the relevant Insurances, RigCo shall procure the delivery to the Agent of a certificate from the insurance broker(s) or the insurers confirming that the Insurances referred to in paragraph (a) above have been renewed and taken out in respect of the Drilling Units with insured values as

required by this Clause, that such Insurances are in full force and effect and that the Common Security Agent (on behalf of the Senior Secured Finance Parties) have been noted as first priority mortgagee by the relevant insurers.

(h) Subject to Clause 25.3(m) below, the Agent may effect upon the request of the Required Majority:

(i) at the Lenders' expense (which shall include, for the avoidance of doubt, any fees and expenses of the Agent's insurance advisor) and for the exclusive benefit of the Lenders, mortgagees' interest insurance on such terms as the Agent may approve (acting on the instructions of the Required Majority) ("**Mortgagees' Interest Insurance**"); and

(ii) at the Borrower's expense and for the exclusive benefit of the Lenders and, if applicable, the New Money Lenders, when any Drilling Unit is or may be located in an Area (as defined herein), insurance policies such as mortgagees' additional perils and pollution insurance on such terms as the Agent may approve (acting on the instructions of the Required Majority) ("**Mortgagees' Perils and Pollution Insurance**"). The Drilling Unit Owners (or the Obligors' Agent on their behalf) shall notify the Agent in writing prior to a Drilling Unit entering an Area (as defined herein). For the purposes of this Clause, the term "Area" means the territorial waters of the United States of America or the Exclusive Economic Zone (as defined in the US Oil Pollution Act, 1990) or the territorial waters of any other jurisdiction having (in the Lenders reasonable opinion) similar or comparable pollution or environmental protection legislation specified from time to time by the Agent (acting on the instructions of the Required Majority) to the Borrower.

(i) If any of the Insurances referred to in paragraph (a) above form part of a fleet cover, the Drilling Unit Owners (or RigCo on their behalf) shall procure that the insurers shall undertake to the Common Security Agent that they shall neither set-off against any claims in respect of any of the Drilling Units any premiums due in respect of other drilling units under such fleet cover or any premiums due for other insurances, nor cancel this Insurance for reason of non-payment of premiums for other drilling units or vessels under such fleet cover or of premiums for such other insurances, and shall undertake to issue a separate policy in respect of each of the Drilling Units if and when so requested by the Common Security Agent.

(j) The Drilling Unit Owner shall procure that the Drilling Units always are employed in conformity with the terms of the instruments of Insurances (including any warranties expressed or implied therein) and comply with such requirements as to extra premium or otherwise as the insurers may prescribe.

(k) The Drilling Unit Owners (or RigCo on their behalf) will procure that no material changes are made to the Insurances described under paragraph (a), (c) and (e) above without the prior written consent of the Agent (acting on the instructions of all the Lenders), except, in the case of paragraph (c) above, a change that relates to the level of insurance that is in compliance with paragraph (c) above.

(l) Each of the Insurances (including any structure relating to any captive vehicle, if relevant) shall be reviewed (an "**Insurance Review**"), at the cost of the Obligors' Agent or the relevant Drilling Unit Owner (which shall include, for the avoidance of doubt, any

duly incurred fees and expenses of the Agent's insurance advisor), such review to be effected by the Agent's insurance advisor on an annual basis and on each date on which the Insurances are due for renewal, in each case if so requested by the Required Majority and subject to Clause 25.3(m) below.

(m) For the purposes of paragraphs (h) and (l) above, the Agent:

(i) may appoint any reputable insurance advisors approved by the Required Majority and the Obligors' Agent (such approval not to be unreasonably withheld or delayed);

(ii) shall, in coordination with the insurance advisor, present an estimate of the scope of terms, upfront cost and ongoing payment terms (as applicable) of any Mortgagees' Interest Insurance, Mortgagees' Perils and Pollution Insurance or Insurance Review to be effected for review and acceptance by all requesting Lenders; and

(iii) shall have no obligation to effect any Mortgagees' Interest Insurance, Mortgagees' Perils and Pollution Insurance or Insurance Review for any Lender in the absence of such Lender's acceptance in accordance with paragraph (ii) above.

25.4 Alteration to the Drilling Units

Each Obligor shall ensure that no Drilling Unit is materially altered, except as necessary in the ordinary course of business or as otherwise reasonably necessary to secure a drilling contract or for the purposes of facilitating a disposal pursuant to Clause 8.2 (*Sale or disposal*) provided that:

(a) the material alterations are made to enable the Drilling Unit to be employed on a specific contract or in order to improve the marketability of such Drilling Unit;

(b) the material alterations cannot reasonably be expected to adversely affect the Market Value of the Drilling Unit;

(c) the Drilling Unit will remain a drilling rig; and

(d) the Agent is given prior written notice of such material alterations involving expenditure by any member of the Group in excess of 25,000,000.

25.5 Conditions of the Drilling Units

Each Obligor shall ensure that the Drilling Units (other than any laid-up or stacked Drilling Unit) are maintained and preserved in good working order and repair and operated in accordance with good internationally recognized standards, and that the Drilling Units comply with the ISM Code and the ISPS Code (to the extent applicable, and if not applicable, to conduct its affairs in accordance with prudent industry practices) and all other marine safety and other regulations and requirements from time to time applicable to rigs registered in the relevant Ship Registry under the relevant flag and applicable to rigs trading in jurisdictions in which the Drilling Units are operating or laid-up or stacked from time to time, as the case may be.

25.6 Trading, Classification and repairs

(a) The Obligors shall keep or shall procure that:

(i) the Drilling Units are kept in a good, safe and efficient condition and state of repair consistent with prudent ownership and management practice;

(ii) that the Drilling Units, other than any laid-up or stacked Drilling Unit, maintain their class with DNV GL, Lloyd's Register, American Bureau of Shipping or another classification society approved by the Required Majority, free of any overdue recommendations and qualifications;

(iii) any laid-up or stacked Drilling Unit is:

(A) capable of maintaining its operational capabilities and being re-entered in a classification society upon removal from such lay-up or stacking; and

(B) otherwise laid-up or stacked in accordance with prudent industry standards;

(iv) they comply with:

(A) the laws, regulations (statutory or otherwise), constitutional documents and international conventions applicable to the classification society, the Ship Registry, the Obligors (ownership, operation, management and business) and to the Drilling Units in jurisdictions in which any of the Drilling Units or the Obligors are operating from time to time, to the extent that failure to do so has or is reasonably likely to have a Material Adverse Effect; and

(B) the sanctions regimes applicable to the classification society, the Ship Registry, the Obligors (ownership, operation, management and business) and to the Drilling Units in jurisdictions in which any of the Drilling Units or the Obligors are operating from time to time;

(v) with the exception of the Drilling Units named West Neptune, Sevan Louisiana and any ultra deepwater Drilling Unit, the Drilling Units do not enter the territorial waters (twelve (12) mile limit) of the United States of America unless (i) it is an emergency situation, (ii) if no Event of Default has occurred and is continuing, upon obtaining the prior written consent from the Agent, or (iii) if an Event of Default has occurred and is continuing, upon obtaining the prior written consent of the Lenders, in each case subject to Clause 25.3(h); and

(vi) they provide the Agent of evidence of such compliance upon request from the Agent.

(b) Notwithstanding anything to the contrary in this Clause 25.6, no requirements as to classing, classification or maintenance of operational capabilities shall apply to the Recycling Units (other than to the extent necessary for the purposes of any sale of the relevant Recycling Unit).

25.7 Notification of certain events relating to a Drilling Unit

The Obligors shall immediately notify the Agent of:

(a) any accident to any of the Drilling Units involving repairs where the costs will or are likely to exceed USD 25,000,000 (or the equivalent amount in any other currency);

(b) any requirement or recommendation in relation to the Drilling Units made by any insurer or classification society or by any competent authority which would have an impact on the continued operations of the Drilling Units and is not, or cannot be, complied with within the time allotted for rectification by the insurer or classification society or competent authority;

(c) any exercise or purported exercise of any capture, seizure, arrest or lien on any of the assets secured by the Security Documents; and

(d) any occurrence as a result of which any of the Drilling Units has become or is, by the passing of time or otherwise, likely to become a Total Loss.

25.8 Operation of the Drilling Units

Each Obligor shall comply, and procure that any charter and manager complies, in all respects with all Environmental Laws and all other laws or regulations applicable to the Drilling Units, their ownership, operation and management or to the business of the Obligors in each case to the extent that any failure to do so has or would reasonably be expected to have a Material Adverse Effect and shall not employ any of the Drilling Units nor allow their employment:

(a) in any manner contrary to law or regulation in any relevant jurisdiction, including but not limited to laws, regulations and executive orders relation to the U.S. economic embargoes of countries, entities or individuals as administrated by the Treasury Department, Office of Foreign Assets Control; and

(b) in the event of hostilities in any part of the world (whether war is declared or not), in any zone which is declared a war zone by any government or by the war risk insurers of any of the Drilling Units unless the relevant Drilling Unit Owner has (at its expense) effected any special, additional or modified insurance cover which shall be necessary or customary for good ship owners trading Drilling Units within the territorial waters of such country at such time and has provided evidence of such cover to the Agent.

25.9 ISM Code, ISPS Code etc.

The Borrower shall procure that the Drilling Unit Owners and any charter and/or manager complies with the ISM Code, ISPS Code, Marpol and any other international maritime safety regulation relevant to the operation and maintenance of the Drilling Units to the extent that failure to do so has or is reasonably likely to have a Material Adverse Effect and provides copies of certificates evidencing such compliance to the Agent upon written request thereof.

25.10 Inspections and class records

(a) The Obligors shall permit, and shall procure that any charterers and/or managers permit, one person appointed by the Agent to inspect, upon the Agent giving prior written notice, each of the Drilling Units once a year, as long as such inspection does not interfere with the operation of the Drilling Units. The costs of such inspection shall

be for the account of the Lenders unless an Event of Default has occurred and is continuing, in which case it shall be for the account of the Borrower.

(b) The Drilling Unit Owners shall instruct the classification society to send to the Agent, following a written request from the Agent, copies of all class records held by the classification society in relation to the Drilling Units.

25.11 Surveys

The Borrower shall submit to or cause the Drilling Units to be submitted to such periodic or other surveys as may be required for classification purposes and to ensure full compliance with regulations of the Ship Registry of the Drilling Units and if consented to by the Agent pursuant to Clause 25.14 (*Ship Registry, name and flag*) such parallel Ship Registry of the Drilling Unit.

25.12 Arrest

The Obligors shall promptly pay and discharge:

(a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against any of the Security Interests each Security Document creates or purports to create;

(b) all tolls, taxes, dues, fines, penalties and other amounts charged in respect of any of the Security Interests each Security Document creates or purports to create; and

(c) all other outgoings whatsoever in respect of any of the Security Interests each Security Document creates or purports to create,

and forthwith upon receiving a notice of arrest of any of the Drilling Units, or their detention in exercise or purported exercise of any lien or claim, the Borrower shall procure its release by providing bail or providing the provision of security or otherwise as the circumstances may require.

25.13 Total Loss

In the event that any of the Drilling Units shall suffer a Total Loss, the Obligors shall as soon as possible and in any event within ninety (90) days after the Total Loss Date, obtain and present to the Agent a written confirmation from the relevant insurers that the claim relating to the Total Loss has been accepted in full, and the insurance proceeds shall be paid to the Agent for application in accordance with Clause 8.1 (*Total Loss*).

25.14 Ship Registry, name and flag

The Borrower shall:

(a) subject to any disposal made in accordance with the terms of the Finance Documents, procure that each of the Drilling Units is registered in the name of the respective Drilling Unit Owner as described in Schedule 3 (*The Drilling Units*) (as updated in accordance with Clause 22.11(a)) in the relevant Ship Registry; and

(b) not change Ship Registry, name or flag of any of the Drilling Units or parallel register a Drilling Unit in any Ship Registry without the prior written consent of the Agent (such consent not to be unreasonably withheld or delayed). If such change would be to a Ship Registry, flag, or parallel register other than any Acceptable Ship Registry, then

such change is subject to the prior written consent of the Agent (acting on the instructions of the Required Majority).

25.15 Management

Seadrill Management or a company being a wholly-owned (directly or indirectly) Subsidiary of RigCo (excluding, for the avoidance of doubt, any Non-Recourse Subsidiary) shall continue to perform management services in respect of the Drilling Units and neither a material change nor any other adverse change (having an adverse effect on the Finance Parties' rights and/or obligations under the Finance Documents) to such existing management shall be made without the prior written consent of the Agent (not to be unreasonably withheld or delayed) (provided that, notwithstanding this Clause 25.15, the Drilling Units named West Tucana, West Castor and West Telesto may, for such time as they are chartered by their respective Drilling Unit Owners to the Qatar Joint Venture, be managed by GDI or a Subsidiary of GDI).

25.16 Capital equipment and spare parts arrangements

No other member of the Group nor any of their Affiliates, other than Seadrill Global Services, Seadrill Americas, Inc. or a company being a wholly-owned (directly or indirectly) Subsidiary of RigCo (excluding, for the avoidance of doubt, any Non-Recourse Subsidiary), shall operate any capital equipment and/or spare parts arrangements in which any of the Drilling Units participate.

25.17 Responsible Ship Recycling

(a) The Obligors shall ensure that each Drilling Unit which is to be recycled, or which is sold to an intermediary with the intention of being recycled, is recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner in accordance with:

(i) the Hong Kong Convention; and/or

(ii) the Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No. 1013/2006 and Directive 2009/16/EC.

(b) If a Drilling Unit is to be recycled in accordance with the Hong Kong Convention, the Obligors shall ensure that the Lenders receive a copy of a statement of compliance with the Hong Kong Convention addressed to the relevant Drilling Unit Owner from Grieg Green or Sea2Cradle (or their successors) or another independent third party acceptable to the Required Majority (acting reasonably), prior to the completion of such recycling.

(c) Each Drilling Unit Owner shall ensure that an Inventory of Hazardous Materials is available in respect of each Drilling Unit it owns which is being recycled.

26. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 26 (except for Clause 26.17 (*Acceleration*) and Clause 26.18 (*Automatic Acceleration*)) is an Event of Default.

26.1 Non-payment

Any of the Obligors does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by administrative or technical error affecting the transfer of funds despite timely payment instructions by the Obligor; and

(b) payment is made within three (3) Business Days of its due date.

26.2 Financial Covenants and Insurance

Any requirement in Clause 23 (*Financial Covenants*) and/or Clause 25.3 (*Insurance*) is not satisfied.

26.3 Other obligations

(a) Any of the Obligors or any Security Provider does not comply with any provision of the Finance Documents (other than those referred to in Clause 8.7 (*Recycling Units*), Clause 26.1 (*Non-payment*) and Clause 26.2 (*Financial Covenants and Insurance*)).

(b) No Event of Default under (a) above will occur if the failure to comply is capable of remedy and is remedied within thirty (30) calendar days of the earlier of the Agent giving notice to the Obligors' Agent or the relevant Obligor or Security Provider becoming aware of the failure to comply.

26.4 Misrepresentations

Any representation, warranty or statement made or deemed to be made by any of the Obligors in the Finance Documents or any other document delivered by or on behalf of the Obligors under or in connection with any of the Finance Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, provided that no Event of Default will occur under this Clause 26.4 if the event or circumstance giving rise to the representation, warranty or statement being incorrect or misleading is capable of remedy and is remedied within thirty (30) calendar days of the earlier of the Agent giving notice to the Obligors' Agent or any Obligor becoming aware of the failure to comply.

26.5 Cross default

(a) Any Financial Indebtedness of any Obligor, Security Provider or any other member of the Group (including, for the avoidance of doubt, Financial Indebtedness under the New Money Facility Agreement or the Hemen Convertible Bonds) is not paid when due nor within any originally applicable grace period;

(b) any Financial Indebtedness of any Obligor, Security Provider or any other member of the Group (including, for the avoidance of doubt, Financial Indebtedness under the New Money Facility Agreement or the Hemen Convertible Bonds) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);

(c) any commitment for any Financial Indebtedness of any Obligor, Security Provider or any other member of the Group (including, for the avoidance of doubt, Financial Indebtedness under the New Money Facility Agreement or the Hemen Convertible Bonds) is cancelled or suspended by a creditor of any Obligor, Security Provider or other member of the Group as a result of an event of default (however described); or

(d) any creditor of any Obligor, Security Provider or any other member of the Group is entitled to declare any Financial Indebtedness of any Obligor, Security Provider or any other member of the Group (including, for the avoidance of doubt, Financial

Indebtedness under the New Money Facility Agreement or the Hemen Convertible Bonds) due and payable prior to its specified maturity as a result of an event of default (however described),

in circumstances where the aggregate amount of all such Financial Indebtedness referred to in all or any of paragraphs (a) to (d) above is USD 15,000,000 (or its equivalent in other currencies) or more.

26.6 Insolvency

(a) Any Obligor or Security Provider is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with (i) one or more of its financial creditors, and/or (ii) creditors generally.

(b) The value of the assets of the Group (taken as a whole) are less than the liabilities of the Group (taken as a whole and taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any Obligor or Security Provider.

26.7 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor or Security Provider;

(b) an order of a competent court or an event analogous thereto, including without limitations a court order of commencement of rehabilitation proceedings (including under the US Bankruptcy Code and similar provisions), is made or any effective resolution passed with a view to the bankruptcy, commencement of composition proceedings, debt negotiations, liquidation, winding-up, rehabilitation or similar event of any Obligor or Security Provider;

(c) a composition, compromise, assignment or arrangement with any creditor of any Obligor or Security Provider;

(d) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any Obligor or Security Provider; or

(e) enforcement of any Security Interest over any assets of any Obligor or Security Provider,

but excluding:

(i) any Permitted Group Restructuring; and

(ii) any proceedings which are frivolous or vexatious or which are being contested in good faith by such Obligor or Security Provider by appropriate means and which are discharged, stayed or dismissed within thirty (30) days of commencement (or

such other period as agreed between the Borrower and the Required Majority, acting reasonably).

26.8 Creditor's process

Any maritime lien or other lien (not being a Drilling Unit Permitted Encumbrance), expropriation, injunction restraint, arrest attachment, sequestration, distress or execution affects any asset secured by the Security Documents or undertakings, property, assets, rights or revenues (not secured by the Security Documents) of any Obligor or Security Provider and is not discharged within thirty (30) days after any Obligor or Security Provider (as the case may be) becoming aware of the same unless the Finance Parties have been provided with additional security in such form and substance and for such amounts as the Finance Parties may require.

26.9 Unlawfulness and invalidity

It is or becomes unlawful or impossible for any Obligor and/or any of the other parties to any of the Security Documents to perform any of their respective obligations under the Finance Documents or for the Agent to exercise any right or power vested to it under the Finance Documents.

26.10 Cessation of business

Any Obligor (whether by one or a series of transactions) suspends, changes or ceases to carry on (or threatens to suspend, change or cease to carry on) all or a material part of its business (other than as a result of a disposal or other steps permitted by this Agreement).

26.11 Material adverse change

Any event or condition or circumstance or series of events or conditions or circumstances occur which has or is reasonably likely to have a Material Adverse Effect.

26.12 Authorisation and consents

Any authorisation, licence, consent, permission or approval required in connection with the entering into, validity, enforcement, completion or performance of any of the Finance Documents or any transactions contemplated thereby is revoked, terminated or modified or otherwise cease to be in full force and effect.

26.13 Loss of Property

Any substantial part of an Obligor's business or assets is destroyed, abandoned, seized, appropriated or forfeited or the authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Obligor or any of its assets which, in each case has, or is reasonably likely to have, a Material Adverse Effect.

26.14 Litigation

There is current, pending or threatened any claims, litigation, arbitration or administrative proceedings against any Obligor which, in each case, has, or is reasonably likely to have, a Material Adverse Effect.

26.15 Failure to comply with final judgment

Any of the Obligors fails within five (5) Business Days after becoming obliged to do so to comply with or pay any sum in an amount exceeding USD 15,000,000 (or the equivalent in any other currencies) due from it under any final judgement or any final order (being one against which there is no right of appeal or if a right of appeal exists the time limit for making such appeal has expired and no appeal has been dismissed) made or given by any court of competent jurisdiction, provided, however, that such event shall not be deemed to constitute an Event of Default if the Obligor is entitled to insurance cover for the whole of such sum and the relevant insurers have confirmed liability and undertaken to make payment of the whole of such sum in writing to the person(s) entitled to payment and it is likely that the insurers will be able to make such payment within sixty (60) days.

26.16 Audit qualification

The Auditors of the Group qualify the audited annual consolidated financial statements of the Group and/or the RigCo Group provided that it is acknowledged for the avoidance of any doubt that a statement of material uncertainty or similar statement or opinion is not a qualification.

26.17 Acceleration

Upon the occurrence of an Event of Default which is continuing, the Agent may, and shall if so directed by the Required Majority, by written notice to the Borrower:

(a) cancel the Total Commitments whereupon they shall immediately be cancelled;

(b) declare that all or part of the Loan together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents, be either immediately due and payable and/or payable upon demand, whereupon they shall become either immediately due and payable or payable on demand;

(c) subject to the terms of the Intercreditor Agreement, exercise or direct the Common Security Agent to start enforcement in respect of the Security Interests established by the Security Documents and/or exercise any or all of its rights, remedies, powers or discretions under the Finance Documents; and/or

(d) without prejudice to any of the other rights of the Lenders take any other action, with or without notice to the Borrower, exercise any other right or pursue any other remedy conferred upon the Agent or the Finance Parties by the Finance Documents or by any applicable law or regulation or otherwise as a consequence of such Event of Default.

26.18 Automatic Acceleration

Notwithstanding Clause 26.17 (*Acceleration*), if any Obligor or Security Provider commences a voluntary case concerning itself under the US Bankruptcy Code, or an involuntary case is commenced under the US Bankruptcy Code against any Obligor or Security Provider and the petition is not controverted within ten (10) days, or is not dismissed within forty five (45) days after commencement of the case, or a custodian (as defined in the US Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of any Obligor or Security Provider, or any order of relief or other order approving any such case or proceeding is entered, the Facility shall cease to be available to such Obligor or Security Provider and all obligations of such Obligor under Clause 19 (*Guarantee and Indemnity*) of this Agreement or any other provision of this Agreement or any other Finance Document to which such Obligor

or Security Provider is a party shall become immediately due and payable, in each case automatically and without any further action by any Party.

27. CHANGES TO THE PARTIES

27.1 No assignment by the Obligors or the Security Providers

None of the Obligors or the Security Providers may assign or transfer or cause or permit to be assumed any part of, or any interest in, its rights and/or obligations under the Finance Documents.

27.2 Changes to the Borrower

(a) The Obligors' Agent may request in writing to the Agent that a Replacement Borrower replaces the Original Borrower as Borrower under this Agreement.

(b) A Replacement Borrower may only replace the Original Borrower as Borrower if:

(i) the relevant Replacement Borrower is (or becomes) a Guarantor prior to becoming a Borrower;

(ii) the Obligors' Agent, the Original Borrower and the relevant Replacement Borrower delivers to the Agent a duly completed and executed Borrower Replacement Letter as set out in Schedule 6 (*Form of Borrower Replacement Letter*);

(iii) the relevant Replacement Borrower is (or will concurrently become) Borrower under and as defined in the New Money Facility Agreement;

(iv) the Obligors' Agent confirms that no Default under this Agreement is continuing or is likely to occur as a result of the relevant Replacement Borrower replacing the Original Borrower as Borrower;

(v) the Original Borrower's obligations in its capacity as Guarantor and any Security Interest granted by the Original Borrower pursuant to the Security Documents continue to be legal, valid, binding and enforceable and in full force and effect (and the Obligors' Agent has confirmed this is the case);

(vi) the change of Borrower does not impair the existing Security Interests granted in favour of the Lenders or otherwise prejudice the Lenders' potential options in respect of any enforcement sale of the Parent or any of its Subsidiaries as a going concern; and

(vii) the Agent has received all of the documents and other evidence listed in Part II of Schedule 6 (*Form of Borrower Replacement Letter*) in form and substance satisfactory to the Agent and the Common Security Agent.

(c) The Agent shall notify the Obligors' Agent and the Lenders and countersign the Borrower Replacement Letter in each case promptly upon being satisfied that it has received (in form and substance satisfactory to it and the Common Security Agent) all the documents and other evidence listed in Part II of Schedule 6 (*Form of Borrower Replacement Letter*).

(d) The Finance Parties hereby authorise (but do not require) the Agent to give such notification and countersign the Borrower Replacement Letter on their behalf pursuant to paragraph (c) above. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification or executing the Borrower Replacement Letter.

(e) Delivery of a Borrower Replacement Letter constitutes confirmation by the relevant acceding Replacement Borrower that the representations set out in Clause 21 (*Representations and Warranties*) are true and correct (in relation to it only and not any other Obligor or other person) as at the date of delivery of such Borrower Replacement Letter as if made by reference to the facts and circumstances then existing.

27.3 Changes to the Guarantors

(a) The Obligors' Agent may request in writing to the Agent that any member of the RigCo Group becomes an Additional Guarantor.

(b) The Obligors' Agent may request that a member of the RigCo Group becomes a Drilling Unit Owner or an Intra-Group Charterer in place of the existing entity which is, or was previously, the relevant Drilling Unit Owner or Intra-Group Charterer where such transfer is necessary in order to enable a Drilling Unit to be employed or deployed under a drilling contract or in a specific jurisdiction or in connection with a Permitted Group Restructuring, provided that prior to becoming a Drilling Unit Owner or Intra-Group Charterer such RigCo Group member shall have acceded to this Agreement as an Additional Guarantor in accordance with the terms of this Agreement.

(c) A member of the RigCo Group may only become an Additional Guarantor if:

(i) the Obligors' Agent and the relevant entity to become an Additional Guarantor deliver to the Agent a duly completed and executed Accession Letter;

(ii) the Obligors' Agent confirms that no Default is continuing or is likely to occur as a result of that relevant entity becoming an Additional Guarantor; and

(iii) the Agent has received all of the documents and other evidence listed in Part II of Schedule 8 (*Form of Accession Letter*), each in form and substance satisfactory to the Agent and the Common Security Agent.

(d) The Agent shall notify the Obligors' Agent and the Lenders and countersign the Accession Letter promptly upon being satisfied that it has received (in form and substance satisfactory to it and the Common Security Agent) all the documents and other evidence listed in Part II of Schedule 8 (*Form of Accession Letter*).

(e) The Lenders and other Finance Parties hereby authorise (but do not require) the Agent to give such notification and countersign the Accession Letter on their behalf pursuant to paragraph (d) above. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification or executing the Accession Letter.

(f) Delivery of an Accession Letter constitutes confirmation by the relevant acceding Additional Guarantor that the representations set out in Clause 21 (*Representations and Warranties*) are true and correct (in relation to it only and not any other Obligor or

other person) as at the date of delivery as if made by reference to the facts and circumstances then existing.

(g) Any entity acting as intra-group charterer in respect of a Drilling Unit shall become an Additional Guarantor in accordance with the terms of this Clause 27.3.

27.4 Release of Guarantors and Security Documents

(a) Subject to paragraph (b) below, the Obligors' Agent may request in writing that a Guarantor (other than the Parent, RigCo or Cash Pool Co) ceases to be a Guarantor by delivering to the Agent and the Common Security Agent a Resignation Letter:

(i) if a Guarantor has been or is to be disposed of in full; or

(ii) if a Guarantor previously being a Drilling Unit Owner or Intra-Group Charterer has been replaced by an Additional Guarantor being the new Drilling Unit Owner or Intra-Group Charterer (as the case may be) of the relevant Drilling Unit, or the relevant Intra-Group Charterparty under which that Guarantor was an Intra-Group Charterer has terminated and that Guarantor is not an Intra-Group Charterer under any other Intra-Group Charterparty,

in each case in accordance with the terms of this Agreement and provided that the Obligors' Agent has provided the Agent with details of such change to the Drilling Unit Owner or Intra-Group Charterer (as the case may be).

(b) Any Security Document and any Security Interest granted thereunder by or in respect of the relevant Guarantor who is to be released shall be released and any Guarantee provided by such Guarantor shall be released by the Common Security Agent (in the case of release of a Guarantor, by the Agent and the Common Security Agent countersigning the Resignation Letter) at the cost and request of the Obligors' Agent, if:

(i) the Obligors' Agent and the relevant Guarantor have delivered a Resignation Letter for the relevant Guarantor to the Agent and the Common Security Agent;

(ii) the Obligors' Agent has confirmed that no Default is continuing or is likely to result upon resignation;

(iii) no payment is due or will, as a result of such release, become due from the Guarantor under Clause 19 (*Guarantee and indemnity*);

(iv) the relevant Security Document does not create a Security Interest over an asset relating to the ownership or operation of any Drilling Unit which has not or will not be disposed of (including indirectly through the disposal of the relevant Drilling Unit Owner) in accordance with the terms of this Agreement unless a new Security Document or Security Interest is being entered into concurrently in relation to the same;

(v) in case of a disposal, that the disposal proceeds have been received by the Agent or the Common Security Agent (as applicable) for application in accordance with this Agreement;

(vi) other than in the case of a disposal in accordance with the terms of this Agreement, the Agent being satisfied (acting reasonably) that the relevant Guarantor to be released or any asset which is the subject of the relevant Security Document granted over or by such Guarantor is not of material value, and in doing so will have regard to the value and assets of any Additional Guarantor that has replaced such Guarantor as the Drilling Unit Owner or Intra-Group Charterer; and

(vii) in the case of paragraph (a)(ii) above, the new Drilling Unit Owner or new Intra-Group Charterer has acceded to this Agreement as an Additional Guarantor in accordance with the terms of Clause 27.3 (*Changes to the Guarantors*).

(c) Any Security Interest granted pursuant to the Security Documents in respect of any asset of a member of the Group which is permitted to be disposed of or transferred to a third party in accordance with the terms of this Agreement shall be released by the Common Security Agent at the cost and request of the Obligors' Agent, provided that the disposal proceeds have been received by the Agent or the Common Security Agent (as applicable) for application in accordance with this Agreement (if applicable).

(d) Each Lender and each other Finance Party authorises the Agent and the Common Security Agent to release a Guarantor and/or any Security Interest granted pursuant to a Security Document and such Security Documents in accordance with the terms of this Clause 27.4.

27.5 Assignments and transfers by the Lenders

A Lender (the "**Existing Lender**") may, at any time:

(a) assign any of its rights under the Finance Documents; or

(b) transfer or have assumed its rights or obligations under the Finance Documents (a "**Transfe**r"),

to another bank or financial institution or to a trust, fund, insurer, reinsurer or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (a "**New Lender**"), provided that if:

(a) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(b) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 15 (*Increased Costs*) or Clause 14 (*Tax gross-up and indemnities*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

27.6 Parent consultation

An Existing Lender must consult with the Parent for no more than five (5) days before it may make an assignment or transfer in accordance with Clause 27.5 (*Assignments and transfers by the Lenders*) unless:

(a) the assignment or transfer is to another Existing Lender or an Affiliate of an Existing Lender;

(b) the assignment or transfer is to a fund which is a Related Fund of that Existing Lender; or

(c) an Event of Default has occurred and is continuing.

27.7 Additional conditions of assignment or transfer

(a) An assignment or transfer will only be effective (i) on the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender, and (ii) the procedure set out in Clause 27.10 (*Procedure for transfer*) is complied with.

(b) An assignment or transfer of a Lender's participation in respect of the Commitments must be (when aggregated with all related assignments and transfers by its Affiliates and Related Funds to the same transferee or that transferee's Affiliates and Related Funds) in a minimum amount of USD 1,000,000 or, if less, an amount equal to the aggregate amount of Commitments of that Lender and its Affiliates and Related Funds, provided that an Existing Lender may assign or transfer its Commitments to any of its Affiliates and Related Funds or any other Existing Lender in any amount (but those Affiliates and Related Funds will, for the avoidance of doubt, be subject to this paragraph (b) upon becoming a Lender).

27.8 Assignment or transfer fee

Unless the Agent otherwise agrees and excluding an assignment or transfer to an Affiliate of a Lender or to a fund which is a Related Fund of that Lender, the New Lender shall, on the date upon which an assignment or transfer takes place pay to the Agent (for its own account) a fee of USD 3,500.

27.9 Limitations of responsibility of Existing Lenders

27.9.1 The Obligors' performance, etc.

Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to the New Lender for:

(a) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(b) the financial condition of the Obligors;

(c) the performance and observance by any of the Obligors of its obligations under the Finance Documents or any other documents; or

(d) the accuracy of any statements (whether written or oral) made in or in connection with the Finance Documents or any other document.

27.9.2 New Lender's own credit appraisal, etc.

Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(a) has made (and will continue to make) its own independent investigation and assessment of the financial condition and affairs of the Obligors and their related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(b) will continue to make its own independent appraisal of the creditworthiness of the Obligors and their related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

27.9.3 Re-transfer to an Existing Lender, etc.

Nothing in any Finance Document obliges an Existing Lender to:

(a) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause 27; or

(b) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by the Borrower of its obligations under the Finance Documents or otherwise.

27.10 Procedure for transfer

Any Transfer shall be effected as follows:

(a) the Existing Lender must notify the Agent of its intention to Transfer all or part of its rights and obligations by delivering a duly completed Transfer Certificate to the Agent duly executed by the Existing Lender and the New Lender;

(b) subject to Clause 27.5 (*Assignments and transfers by the Lenders*), Clause 27.6 (*Parent consultation*) and Clause 27.7 (*Additional conditions of assignment or transfer*), the Agent shall as soon as reasonably practicable after receipt of a Transfer Certificate execute the Transfer Certificate and deliver a copy of the same to each of the Existing Lender and the New Lender and the Obligors' Agent; and

(c) subject to Clause 27.5 (*Assignments and transfers by the Lenders*), the Transfer shall become effective on the Transfer Date.

27.11 Effects of the Transfer

On the Transfer Date:

(a) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer its rights and obligations under the Finance Documents, the Obligors and the Existing Lender shall be released from further obligations to one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (for the purposes of this Clause, the "**Discharged**

Rights and Obligations"), but the existing obligations owed by the Obligors under the Finance Documents shall not be released;

(b) the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Obligors and the New Lender have assumed and/or acquired the same instead of the Obligors and the Existing Lender;

(c) the Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an original Lender hereunder with the rights and/or obligations acquired or assumed by it as a result of the Transfer and to that extent the Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(d) the New Lender shall become a Party as a "Lender".

27.12 Further assurances

Each of the Obligors undertakes to procure that in relation to any Transfer, each of the Obligors and/or the Security Providers shall (at its own cost) at the request of the Agent execute such documents as may in the discretion of the Agent be necessary to ensure that the New Lender attains the benefit of the Finance Documents.

27.13 Security over Lenders' rights

(a) In addition to the other rights provided to the Lenders under this Clause 27 (*Changes to the Parties*), each Lender may without consulting with or obtaining any consent from any Obligor, at any time charge, assign or otherwise create Security Interests in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Documents to secure obligations of that Lender including, without limitation:

(i) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank;

(ii) in connection with any securitisation, covered bond program or any similar or equivalent transaction; and

(iii) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

(b) No charge, assignment or Security Interest granted pursuant to paragraph (a) above shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security Interest for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by the Obligors other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

28. DISCLOSURE OF INFORMATION

28.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 28 (*Disclosure*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

28.2 Disclosure

Any Lender may disclose:

(a) to any of its Affiliates, Related Funds, branches, subsidiaries, its parent company, head office or regional office (for the purposes of this Clause, together the "**Permitted Parties**" and each a "**Permitted Party**") and a potential assignee;

(b) to an entity or person (or their agent) with whom that Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to this Agreement or any of the Obligors;

(c) to any person who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in (a) and (b) above;

(d) to auditors or professional advisers or service providers employed in the normal course of a Permitted Party's business who are under a duty of confidentiality to the Permitted Parties;

(e) to any rating agency, insurer, reinsurer or insurance broker of, or direct or indirect provider of credit protection to any Permitted Party;

(f) to any person to whom, and to the extent that, information is required to be disclosed by (i) any law or applicable court or (ii) any governmental, supervisory or regulatory body with jurisdiction over the Permitted Party;

(g) for the purpose of the protection or the enforcement of any Lender's rights; and

(h) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to Clause 27.13 (*Security over Lenders' rights*),

such information about the Obligors and the Finance Documents as that Lender shall consider appropriate, provided that:

(i) in relation to any disclosure under paragraph (a), (b), (c), (e) or (h) above, the person to whom information is to be given has entered into a confidentiality undertaking substantially in a recommended form of the Loan Market Association from time to time or in any other form agreed between the Borrower and the Agent; or

(ii) in the case of any disclosure under paragraph (c) above, the person to whom the information is given is otherwise bound by requirements of confidentiality in

relation to the information they receive and is informed that some or all of such information may be price sensitive information; or

(iii) in the case of any disclosure under paragraphs (e) or (h) above, the person to whom the information is to be given is informed of its confidential nature and that some or all of such information may be price sensitive information.

28.3 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

28.4 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Obligors' Agent:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to Clause 28.2(f) (*Disclosure*) except where such disclosure is made to any of the persons referred to in that Clause during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 28.

28.5 Continuing obligations

The obligations in this Clause 28 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve (12) months from the earlier of:

(a) the end of the Security Period; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

29. ROLE OF THE AGENT

29.1 Appointment and authorisation of the Agent

(a) Each Finance Party appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each Finance Party authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

(c) Without prejudice to the generality of paragraphs (a) and (b) above, each Finance Party hereunder:

(i) agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreement; and

(ii) authorises and instructs:

(A) the Agent to enter into the Intercreditor Agreement as a "Creditor Representative"; and

(B) the Common Security Agent to enter into the Intercreditor Agreement,

in each case on behalf of such Finance Party.

29.2 Duties of the Agent

(a) The Agent shall not have any duties or responsibilities except those expressly set forth in the Finance Documents, and the Agent's duties under the Finance Documents are solely mechanical and administrative in nature. The Agent shall:

(i) promptly forward to a Party the original or a copy of any document which is delivered to it in its capacity as Agent for the attention of that Party by another Party;

(ii) supply the other Finance Parties with all material information which the Agent, in its capacity as Agent, receives from the Obligors;

(iii) if it receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance is a Default, promptly notify the Finance Parties; and

(iv) if the Agent is aware of any non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent) it shall promptly notify the other Finance Parties.

(b) The Agent shall not be bound to enquire:

(i) whether or not any Default has occurred;

(ii) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(iii) whether any other event specified in any Finance Document has occurred.

29.3 Relationship - Agent

The relationship between the Agent and the other Finance Parties is that of agent and principal only. Nothing in this Agreement shall be construed as to constitute the Agent or the Finance Parties as trustee or fiduciary or a trust for any other person, and neither the Agent nor the Finance Parties shall be bound to account to any Finance Party for any sum or the profit element of any sum received by it for its own account.

29.4 Business with the Obligors

The Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with the Obligors.

29.5 Rights and discretions of the Agent

(a) The Agent may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as Agent for the Lenders) that:

(i) no Event of Default has occurred (unless it has actual knowledge of an Event of Default under Clause 26.1 (*Non-payment*)); and

(ii) any right, power, authority or discretion vested in any Party, the Required Majority, the Supra Majority Lenders, the Simple Majority Lenders or the Simple Majority RFA/NMFA Lenders has not been exercised.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other professional advisors or experts.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Without prejudice to the generality of paragraph (e) above, the Agent:

(i) may disclose; and

(ii) on the written request of the Obligors' Agent or the Required Majority, shall, as soon as reasonably practicable, disclose,

the identity of a Defaulting Lender to the Obligors' Agent and to the other Finance Parties.

(g) Notwithstanding any other provision of any Finance Document to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of duty of confidentiality or render it liable to any person.

29.6 Instructions

(a) The Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:

(A) all Senior Secured Lenders if the relevant Finance Document stipulates the matter is an all Senior Secured Lender decision;

(B) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision;

(C) each of the Required Majority and the Majority New Money Lenders if the relevant Finance Document stipulates the matter requires the consent of both the Required Majority and the Majority New Money Lenders;

(D) the Supra Majority Lenders if the relevant Finance Document stipulates the matter is a Supra Majority Lender decision;

(E) the Simple Majority Lenders if the relevant Finance Document stipulates the matter is a Simple Majority Lender decision;

(F) the Simple Majority RFA/NMFA Lenders if the relevant Finance Document stipulates the matter is a Simple Majority RFA/NMFA Lender decision; and

(G) in all other cases, the Required Majority; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.

(b) Save in the case of decisions stipulated to be a matter for any other Senior Secured Lender or group of Senior Secured Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Required Majority shall override any conflicting instructions given by any other Senior Secured Finance Parties and will be binding on all Finance Parties.

(c) The Agent may refrain from acting in accordance with any instructions of any Senior Secured Lender or group of Senior Secured Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

(d) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

(f) For so long as a Defaulting Lender has an Available Commitment, in ascertaining:

(i) the Required Majority, Supra Majority Lenders, the Simple Majority Lenders or the Simple Majority RFA/NMFA Lenders; or

(ii) whether:

(A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments under the Facility; or

(B) the agreement of any specified group of Lenders,

has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents,

that Defaulting Lender's Commitment under the Facility will be reduced by the amount of its Available Commitments under the Facility and, to the extent that that reduction results in that Defaulting Lender's Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

(g) For the purposes of this Clause 29.6 the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender; and

(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in the definition of “Defaulting Lender” has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

29.7 Responsibility for documentation

The Agent:

(a) is not responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent on behalf of a Party, the Obligors or any other person in or in connection with any Finance Document; and

(b) is not responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made in anticipation of or in connection with any Finance Document.

29.8 Exclusion of liability

(a) Without limiting paragraph (b) below, the Agent will not be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee and agent of the Agent may rely on this Clause 29.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.

29.9 Lenders' indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then reduced to zero, to its share of the Total Commitments immediately prior to their reduction to zero), indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by the Borrower pursuant to a Finance Document).

29.10 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrower.

(b) Alternatively the Agent may, upon prior written consent of the Borrower, such consent not to be unreasonably withheld, resign by giving notice to the other Finance Parties and the Borrower in which case the Required Majority (after consultation with the Borrower) may appoint a successor agent.

(c) If the Required Majority have not appointed a successor agent in accordance with paragraph (b) above within thirty (30) days after notice of resignation was given, the Agent (after consultation with the Borrower) may appoint a successor agent.

(d) The retiring Agent shall, at its own cost, make available to the successor agent such documents and records and provide such assistance as the successor agent may reasonably request for the purposes of performing its functions as agent under the Finance Documents.

(e) The Agent's resignation notice shall only take effect upon appointment of a successor.

(f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 29. Each successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) After consultation with the Borrower the Required Majority may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above but the cost referred to in (d) above shall be for the account of the Borrower.

(h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three (3) months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 14.7 (*FATCA Information*) and the Obligors' Agent or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 14.7 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Obligors' Agent or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Obligors' Agent or that Lender, by notice to the Agent, requires it to resign.

29.11 Confidentiality

(a) In acting as agent for the Finance Parties the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

29.12 Credit appraisal by the Lenders

(a) Without affecting the responsibility of the Obligors for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document, including (without limitation):

(i) the financial condition, status and nature of the Obligors;

(ii) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(iii) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document, entered into, made or executed in anticipation of, under or in connection with any Finance Document.

(b) Without prejudice to the generality of the foregoing, each Finance Party is responsible for making its own analysis and review of the Intercreditor Agreement and the respective terms and provisions thereof, and neither the Agent, the Common Security

Agent nor any of their affiliates makes any representation to any Finance Party as to the sufficiency or advisability of the provisions contained in the Intercreditor Agreement.

29.13 Conduct of business of the Finance Parties

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or to the extent, order or manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

29.14 Reliance and engagement letters

Each Finance Party confirms that the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Agent) the terms of any reliance letter or engagement letters relating to any reports or letters provided by accountants, auditors, advisors or providers of due diligence reports in connection with the Finance Documents or the transaction contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

29.15 Agent's management time

(a) Subject to paragraph (b) below, any amount payable to the Agent under Clause 16.3 (*Indemnity to the Finance Parties*), Clause 18 (*Costs and Expenses*) and Clause 29.9 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower, and is in addition to any fee paid or payable to the Agent under Clause 13 (*Fees*). Unless a Default is continuing, the Agent shall consult with the Borrower prior to incurring any additional costs pursuant to this Clause 29.15.

(b) Paragraph (a) above shall only apply in the event of:

(i) a Default which is continuing;

(ii) the Agent being requested by the Obligors' Agent or Lenders representing the Required Majority to undertake duties which the Agent and the Obligors' Agent agree (each acting reasonably) to be of an exceptional nature or otherwise outside the scope of the normal duties of the Agent under the Finance Documents; or

(iii) the Agent and the Obligors' Agent (each acting reasonably) agreeing that it is otherwise appropriate in the circumstances for paragraph (a) above to apply.

29.16 Amounts paid in error

(a) If the Agent (in its capacity as such) pays an amount to another Party and the Agent notifies that Party in writing within five (5) Business Days of becoming aware of such payment that such payment was an Erroneous Payment then the Party to whom that

amount was paid by the Agent shall as soon as reasonably practicable and in any event within three (3) Business Days of written demand from the Agent refund the same to the Agent.

(b) Neither:

(i) the obligations of any Party to the Agent; nor

(ii) the remedies of the Agent,

(whether arising under this Clause 29.16 or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Agent or any other Party).

(c) All payments to be made by a Party to the Agent (whether made pursuant to this Clause 29.16 or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

(d) Any amount refunded by a Party to the Agent pursuant to paragraph (a) above shall, for the purposes of the relevant payment obligation under the Finance Documents, be treated as if it had not been received by that Party.

(e) In this Agreement, "Erroneous Payment" means a payment of an amount by the Agent to another Party, which at the time of receipt of such payment by such other Party, was received in error on the basis that it was not contractually due to it pursuant to the terms of this Agreement.

30. SHARING AMONG THE FINANCE PARTIES

30.1 Payment to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from any of the Obligors other than in accordance with Clause 31 (*Payment mechanics*) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall promptly, within three (3) Business Days, notify details of the receipt or recovery to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received by or made by the Agent and distributed in accordance with Clause 31 (*Payment mechanics*), without taking account of Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 31.5 (*Partial payments*).

30.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by any of the Obligors, as the case may be, and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 31.5 (*Partial payments*).

30.3 Recovering Finance Party's rights

(a) On a distribution by the Agent under Clause 30.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the Borrower shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

30.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 30.2 (*Redistribution of payments*) shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and

(b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the Borrower will be liable to each reimbursing Finance Party for the amount so reimbursed.

30.5 Exceptions

(a) This Clause 30 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 30, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal proceedings, if:

(i) it notified that other Finance Party of the legal proceedings; and

(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did do so as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

31. PAYMENT MECHANICS

31.1 Payments to the Agent

All payments by the Obligors or a Lender under the Finance Documents, including but not limited to repayments, interests, guarantee premiums and fees, shall be made:

(a) to the Agent to its account with such office or bank as the Agent may from time to time designate in writing to the relevant Obligor or a Lender for this purpose; and

(b) for value on the due date at such times and in such funds as the Agent may specify to the Party concerned as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

31.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 31.3 *(Distributions to the Borrower*) and 31.4 (*Clawback*), be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement, to such account as that Party may notify to the Agent by not less than five (5) Business Days' notice.

31.3 Distributions to the Borrower

The Agent may (with the consent of the Borrower or in accordance with Clause 32 (*Set-off*)), apply any amount received by it for the Obligors in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Obligors under the Finance Documents or in or towards purchase of any amount of currency to be so applied.

31.4 Clawback

(a) Where a sum is to be paid to the Agent under the Finance Documents for distribution to another Party, the Agent is not obliged to pay that sum to that other Party until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount was paid by the Agent shall on demand refund the same amount to the Agent, together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

31.5 Partial payments

If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of the Obligor under the Finance Documents in the following order:

(a) firstly, in or towards payment pro rata of any unpaid fees, costs and expenses (howsoever incurred) of the Agent under the Finance Documents;

(b) secondly, in or towards payment pro rata of any accrued interest (including default interest), fees or commissions due but unpaid under this Agreement;

(c) thirdly, in or towards payment pro rata of any principal due but unpaid and indemnification due but unpaid under this Agreement; and

(d) fourthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

31.6 No set-off by the Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

31.7 Payment on non-Business Days

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

31.8 Currency of account

The Obligors shall pay:

(a) any amount payable under this Agreement, except as otherwise provided for herein, in USD; and

(b) all payments of costs and Taxes in the currency in which the same were incurred.

31.9 Exclusion of liability

The Lenders shall not be liable for any failure to perform the whole or any part of this Agreement resulting directly or indirectly from action of any government or governmental or local authority, or any general strike, lockout, boycott and blockade affecting any of the Lenders or their employees.

32. SET-OFF

A Finance Party may, to the extent permitted by applicable law, set off any matured obligation due from any Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any credit balance on any account that Obligor has with that Finance Party or against any other obligations owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

33. NOTICES

33.1 Communication in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by e-mail or letter. Any such notice or communication addressed as provided in Clause 33.2 (*Addresses*) will be deemed to be given or made as follows:

(a) if by letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

(b) if by e-mail, when actually received in readable form,

however, a notice given in accordance with the above but received on a day which is not a Business Day or after 16:00 hours in the place of receipt will only be deemed to be given at 9:00 hours on the next Business Day in that place.

33.2 Addresses

Any communication or document to be made under or in connection with the Finance Documents shall be made or delivered to the address of each Party and marked for the attention of the department or persons set out below and, in case of any Lender or any New Lender to the address notified to the Agent:

If to the Agent:	Global Loan Agency Services Limited Attn.: Transaction Management Group (Seadrill Finance Limited TRN00002419) Email: tmg@glas.agency
If to the Common Security Agent:	GLAS Trust Corporation Limited Attn.: Transaction Management Group (Seadrill Finance Limited TRN00002419) Email: tmg@glas.agency
If to the Parent:	Seadrill Limited Par-la-Ville Place 14 Par-la-Ville Road Hamilton, HM08 Bermuda Att: Corporate Secretary Tel: + 1 441 295 69 35 Email: banknotice@seadrill.com Copy to for information purposes only: Seadrill Management Ltd.

2nd Floor Building 11
Chiswick Business Park
566 Chiswick High Road
London W4 5YS
United Kingdom

Att: Group Treasury

Tel: +44 (0)20 8811 4700
Email: grouptreasury@seadrill.com

If to RigCo: Seadrill Rig Holding Company Limited

Par-la-Ville Place
14 Par-la-Ville Road
Hamilton, HM08
Bermuda

Att: Corporate Secretary

Tel: + 1 441 295 69 35
Email: banknotice@seadrill.com

Copy to for information purposes only:

Seadrill Management Ltd.
2nd Floor Building 11
Chiswick Business Park
566 Chiswick High Road
London W4 5YS
United Kingdom

Att: Group Treasury

Tel: +44 (0)20 8811 4700

Email: grouptreasury@seadrill.com

or any substitute address and/or e-mail address and/or marked for such other attention as the Party may notify to the Agent (or the Agent may notify the other Parties if a change is made by the Agent) by not less than five (5) Business Days' prior notice.

33.3 Communication with the Obligors

All communication from or to any of the Obligors shall be sent through the Agent and the Agent may direct any information to any of the Obligors by communication to the Obligors' Agent.

33.4 Language

Communication to be given by one Party to another under the Finance Documents shall be given in the English language or, if not in English and if so required by the Agent, be accompanied by a certified English translation and, in this case, the English translation shall prevail unless the document is a statutory or other official document.

33.5 Electronic communication

(a) Any communication to be made between the Agent, a Finance Party and an Obligor under or in connection with the Finance Documents may be made by electronic mail or other electronic means, including by way of publication on recognised web-page to which all Finance Parties have been granted access, if the Agent, the relevant Finance Party and the relevant Obligor (as the case may be):

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent, a Lender and an Obligor will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender or an Obligor to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

(c) For the purpose of the Finance Documents, an electronic communication will be treated as being in writing. Each Party may rely without further inquiry on the senders' due authorisation in connection with any e-mail messages it receives on behalf of the other Party. Each Party shall also, subject to the terms and conditions of this Agreement, be authorised to communicate by e-mail with any third parties who may be involved in this transaction or affected by the Finance Documents. Each Party confirms that it is aware of the fact that information by way of electronic exchange is transmitted unencrypted over a publicly accessible network, and that it acknowledges all the risks connected therewith (including but not limited to the fact that a bank relation (as such terms is used in the context of Swiss banking secrecy legislation) could be identified).

34. CALCULATIONS

All sums falling due by way of interest, fees and commissions under the Finance Documents accrue from day-to-day and shall be calculated on the basis of the actual number of days elapsed and a calendar year of three hundred and sixty (360) days. The calculations made by the Agent of any interest rate or any amount payable pursuant to this Agreement shall be conclusive and binding upon the Borrower in the absence of any manifest error.

35. MISCELLANEOUS

35.1 Partial invalidity

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provisions under any law of any other jurisdiction will in any way be affected or impaired.

35.2 Remedies and waivers

No failure to exercise, nor any delay in exercising on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

35.3 Common Terms

35.3.1 General

(a) The Common Terms shall apply to the Secured Bank Facilities Agreements and be interpreted in accordance with Norwegian law.

(b) Each of the Senior Secured Finance Parties agrees that (i) no Senior Secured Finance Party shall, in respect of the Senior Secured Finance Documents, enjoy the benefit of any additional or more restrictive (A) mandatory prepayment events (other than in respect of this Agreement, the Cash Sweep and the mandatory prepayment event pursuant to Clause 8.7 (*Recycling Units*)), representations and warranties, information undertakings, financial covenants, general undertakings, drilling unit undertakings or events of default other than those set out in the Common Terms or, (B) guarantees or security other than those contemplated by the guarantee and security construct set out in the Common Terms, and (ii) no Secured Bank Facilities Agreement shall otherwise contain any additional regulation of the matters covered by the Common Terms.

35.3.2 Amendments, consents and waivers of Common Terms

(a) Unless otherwise stated in the Common Terms, any term of the Common Terms may only be amended, consented to or waived with the written consent of each of the Required Majority and the Majority New Money Lenders and any such amendment will be binding on all Senior Secured Finance Parties.

(b) If any Senior Secured Lender fails to respond to a request for a consent in relation to Clause 8.2 (*Sale or disposal*) within ten (10) Business Days (unless the Borrower and the relevant agent agree to a longer time period in relation to any request) of that request being made, its Commitment (as defined in each Secured Bank Facilities Agreement) and/or participation shall not be included for the purpose of calculating the Total Commitments (as defined in each Secured Bank Facilities Agreement) or

participations under the relevant Secured Bank Facilities when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments (as defined in each Secured Bank Facilities Agreement) and/or participations has been obtained to approve that request.

35.4 Amendments, consents and waivers

35.4.1 Required consents

(a) Subject to Clause 35.3 (*Common Terms*), Clause 35.4.2 (*All Lender matters*) and Clause 35.4.3 (*Supra Majority Lenders matters*), any term of the Finance Documents may be amended, consented to or waived only with the written consent of the Required Majority (provided that Supra Majority Lenders Matters or any matter stipulated to be subject to a Simple Majority Lender decision or a Simple Majority RFA/NMFA Lender decision, shall only require the consent of the Supra Majority Lenders, the Simple Majority Lenders or the Simple Majority RFA/NMFA Lenders (as applicable) and not the Required Majority) and the Obligors (or the Obligor's Agent) and any such amendment will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment, consent or waiver permitted by this Clause 35.4.

35.4.2 All Lender matters

(a) Subject to Clauses 9 (*SOFR Term Rates*), 35.4.3 (*Supra Majority Lenders matters*) and 35.4.4 (*Changes to Reference Rates*), an amendment, consent to or waiver that has the effect of changing or which relates to:

(i) the definition of "Required Majority";

(ii) the definition of "Supra Majority Lenders";

(iii) the definition of "Simple Majority Lenders";

(iv) the definition of "Simple Majority RFA/NMFA Lenders";

(v) an extension of the date of any payment of any amount under the Finance Documents;

(vi) a reduction in the Applicable Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(vii) an increase in or extension of any Lenders' Commitment;

(viii) a term of the Finance Documents which expressly requires the consent of all the Lenders;

(ix) a proposed substitution or replacement of any of the Obligors other than in accordance with the terms of this Agreement;

(x) Clause 2.2 (*Finance Parties' rights and obligations*);

(xi) release of any Guarantors, any Guarantees provided by the Guarantors pursuant to this Agreement, the Guarantee Obligations or any Security Interest under any

Security Document other than in accordance with Clause 27.4 (*Release of Guarantors and Security Documents*); and/or

(xii) this Clause 35.4.2,

shall not be made without the prior written consent of all the Lenders (except, in the case of paragraph (v) above, if Clause 8.2 (*Sale or disposal*) specifies a different consent threshold, in which case only that consent threshold shall apply to the matters specified in that provision).

(b) The Borrower shall (for its own cost) have the right, in the absence of a Default or Event of Default, to replace any Lender that has not given its consent to certain amendments, consents or waivers of this Agreement which expressly require the consent of such Lender and which have been approved by the Required Majority, with a New Lender (if relevant).

(c) An amendment, consent or waiver which relates to the rights or obligations of the Agent may not be effected without the written consent of the Agent.

35.4.3 Supra Majority Lenders matters

(a) An amendment, consent to or waiver that has the effect of changing or which relates to:

(i) any term of a Finance Document which expressly requires the consent of the Supra Majority Lenders; and

(ii) this Clause 35.4.3,

(each a "**Supra Majority Lenders Matter**") shall not be made without the prior written consent of the Supra Majority Lenders.

(b) The Agent shall communicate the result of any vote among the Lenders under this Agreement related to a Supra Majority Lenders Matter or any other matter requiring the consent of the Supra Majority Lenders to the Obligors' Agent and the Common Security Agent, and the Common Security Agent shall in turn determine whether the requisite threshold for the relevant matter has been met.

(c) The Agent shall effect on behalf of the Finance Parties, any amendment, consent or waiver made in accordance with this Clause 35.4.3 and take any action and complete any documentation (satisfactory to the Supra Majority Lenders) required or desirable in order to effect such amendment, consent or waiver.

(d) Each Finance Party authorises the Agent to act or refrain from acting on the instruction of the Supra Majority Lenders in relation to this Agreement in respect of the Supra Majority Lenders Matters or any other matter where the Supra Majority Lenders may instruct the Agent under and in accordance with the terms of the applicable Finance Documents.

35.4.4 Changes to Reference Rates

(a) Subject to paragraph (c) of Clause 35.4.2 (*All Lender matters*), if a Published Rate Replacement Event has occurred in relation to any Published Rate, any amendment or waiver which relates to:

(i) providing for the use of a Replacement Reference Rate; and

(ii)

(A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

(B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Reference Rate;

(D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or

(E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Required Majority) and the Borrower.

(b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on a Loan under this Agreement to any recommendation of a Relevant Nominating Body which:

(i) relates to the use of a risk-free reference rate on a compounded basis in the international or any relevant domestic syndicated loan markets; and

(ii) is issued after the Effective Time,

may be made with the consent of the Agent (acting on the instructions of the Required Majority) and the Borrower.

(c) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) or paragraph (b) above within ten (10) Business Days (or such longer time period in relation to any request which the Borrower and the Agent may agree) of that request being made:

(i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the Facility/ies when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and

(ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

(d) In this Clause 35.4.4:

"**Published Rate**" means an RFR.

"**Published Rate Replacement Event**" means, in relation to a Published Rate:

(a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Required Majority and the Borrower, materially changed;

(b)

(i)

(A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or

(B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

(ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;

(iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or

(iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used.

"**Relevant Nominating Body**" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"**Replacement Reference Rate**" means a reference rate which is:

(a) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under paragraph (ii) above;

(b) in the opinion of the Required Majority and the Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or

(c) in the opinion of the Required Majority and the Borrower, an appropriate successor to a Published Rate.

35.4.5 Lender voting

If any Lender:

(a) fails to respond to a request for a consent, waiver or amendment of or in relation to any of the terms of any Finance Documents (other than an amendment, consent or waiver referred to in Clauses 35.4.2(a)(i), 35.4.2(a)(ii), 35.4.2(a)(iii), 35.4.2(a)(iv) or 35.4.2(a)(xi)) or another vote required by the Lenders under the terms of this Agreement within fifteen (15) Business Days (unless the Borrower and the Agent agree to a longer time period in relation to any request) of that request being made;

(b) has not nominated an Information Nominee and is therefore not entitled to receive any details of any such consent, waiver or amendment by virtue of the operation of Clause 35.4.6 (*Requests: Public Lenders*); or

(c) has only received prior notification of any such consent, waiver or amendment (but not the specific details of such consent, waiver or amendment) by virtue of its nomination of an Information Nominee who has not elected to have access to Private Lender Information pursuant to Clause 22.14(e)(ii),

in each case:

(i) its Commitment and/or participation shall not be included for the purpose of calculating the Total Commitments or participations under the Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and/or participations has been obtained to approve that request; and

(ii) its status as a Lender will be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

(d) For the purposes of this Clause 35.4.5 and in relation to any request for an amendment, waiver or consent from an Obligor or the Obligors' Agent pursuant to this Clause 35.4 which contains Private Lender Information, a Public Lender which has

nominated an Information Nominee who has elected to have access to Private Lender Information pursuant to Clause 22.14(e)(ii) may exercise any of its rights (including voting) in relation to such request through that Information Nominee and references to "Lender" and "Public Lender" herein shall be construed accordingly (but, for the avoidance of doubt, an Information Nominee who has not elected to have access to Private Lender Information pursuant to Clause 22.14(e)(ii) may not exercise such rights).

35.4.6 Requests: Public Lenders

(a) If an Obligor (or the Obligors' Agent) wishes to request an amendment, waiver or consent from the Lenders (or any of them) pursuant to this Clause 35.4, that Obligor or the Obligors' Agent shall first give at least three (3) Business Days' notice via the Agent to each Lender (other than a Public Lender) and each Information Nominee of its intention to request an amendment, waiver or consent (without specifying what amendment, waiver or consent will be sought) and confirm whether the relevant amendment, waiver or consent will be sent to Public Lenders pursuant to Clause 22.14 (*Public Lenders*).

(b) The distribution of any amendment, waiver or consent requested by an Obligor or the Obligors' Agent must comply with Clause 22.14 (*Public Lenders*). Each Public Lender acknowledges that:

(i) Lenders (other than the Public Lenders) and any Information Nominee who has elected to have access to Private Lender Information pursuant to Clause 22.14(e)(ii) may, in connection with any amendment, waiver or consent request, receive additional information with respect to or in connection with that request, the Group or any part of it or any term of this Agreement that in each case may be material; and

(ii) it (and, if it has appointed an Information Nominee who has not elected to have access to Private Lender Information pursuant to Clause 22.14(e)(ii), its Information Nominee) may not receive any amendment, waiver or consent request and/or all or part of any additional information referred to in paragraph (i) above and no failure to deliver an amendment, waiver or consent request or such additional information to any Public Lender (or such Information Nominee) by reason of Clause 22.14 (*Public Lenders*) will limit the application of Clause 35.4.5 (*Lender voting*) to such Public Lender (or such Information Nominee).

35.5 Disclosure of information and confidentiality

In addition to the information that may be disclosed by a Lender pursuant to Clause 28 (*Disclosure of information*), each of the Finance Parties may disclose to each other or to their professional advisers any kind of information which the Finance Parties have acquired under or in connection with any Finance Document. The Parties are obliged to keep confidential all information in respect of the terms and conditions of this Agreement. This confidentiality obligation shall not apply to any information which:

(a) is publicised by a Party as required by applicable laws and regulations or the rules of any relevant stock exchange;

(b) has entered the public domain or is publicly known, provided that such information is not made publicly known by the receiving Party of such information; or

(c) was or becomes, as the Party is able to demonstrate by supporting documents, available to such Party on a non-confidential basis prior to the disclosure thereof.

35.6 Process Agent

Each Obligor hereby irrevocably by its execution of this Agreement or an Accession Letter:

(a) appoints Seadrill Offshore AS as its agent for the service of process and/or any other writ, notice, order or judgment in respect of this Agreement and/or the matters arising herefrom; and

(b) agrees that failure by such process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

If any process agent appointed pursuant to this Clause 35.6 (*Process Agent*) (or any successor thereto) shall cease to exist for any reason where process may be served, the Obligor will forthwith appoint another process agent with an office in Norway where process may be served and will forthwith notify the Agent thereof.

35.7 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

35.8 Conflict

In case of conflict or inconsistency between any provision in a Security Document and this Agreement, the provisions of this Agreement shall prevail (and the relevant provision(s) of the Security Documents shall not apply) to the extent of such conflict or inconsistency, provided however that this shall not in any way be interpreted or applied to prejudice the legality, validity or enforceability of any Security Document.

35.9 Counterparts

Each Finance Document may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

35.10 Disenfranchisement of Shareholders

If:

(a) any Lender;

(b) any Affiliate of a Lender; or

(c) any other person acting in concert with such Lender or Affiliate,

is or becomes the legal or beneficial owner (directly or indirectly) of voting rights and/or share capital constituting more than twenty per cent (20%) of the voting rights and/or share capital in any member of the Group or a Holding Company of the Group (excluding any voting rights and/or share capital legally or beneficially owned on the Effective Time by a Backstop Party who was a Lender or an Affiliate of a Lender on the Effective Time):

(i) such Lender shall promptly notify the Agent and the Borrower in writing; and

(ii) such Lender's Commitments and/or participation shall not be included for the purposes of calculating the Total Commitments or participations under the Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments and/or participations has been obtained to approve any request.

36. GOVERNING LAW AND ENFORCEMENT

36.1 Governing law

This Agreement shall be governed by Norwegian law.

36.2 Jurisdiction

(a) For the benefit of each Finance Party, each of the Obligors agrees that the courts of Oslo, Norway have jurisdiction to settle any dispute arising out of or in connection with the Finance Documents including a dispute regarding the existence, validity or termination of this Agreement, and each of the Obligors accordingly submits to the non-exclusive jurisdiction of the Oslo District Court (Oslo tingrett).

(b) Nothing in this Clause 36.2 shall limit the right of the Finance Parties to commence proceedings against any of the Obligors in any other court of competent jurisdiction. To the extent permitted by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

* * *

Schedule 1
Lenders and Commitments

Name of Lender:	Commitment
Export Finance Norway (Eksfin)	105,822,348.64
Export-Import Bank of Korea	40,275,747.08
Korea Trade Insurance Corporation	37,945,483.57
Nordea Bank Abp, London branch	43,704,782.54
DNB Bank ASA	57,076,719.08
ING Bank N.V.	9,277,694.31
HSBC Bank plc	24,817,080.88
Export-Import Bank of China	28,261,471.02
Skandinaviska Enskilda Banken AB (publ)	36,847,864.77
Citibank N.A., London Branch	30,920,637.39
Credit Agricole Corporate and Investment Bank	26,856,886.67
KfW IPEX-Bank GmbH	340,197.07
Sumitomo Mitsui Banking Corporation	124,578.79
Kington S.á r.l.	15,493,928.19
Sherston S.á r.l.	20,080,140.01
Didmarton 405 S.á r.l.	3,778,977.92
Didmarton S.á r.l.	14,822,756.43
BNP Paribas S.A.	2,091,606.90
Barclays Bank PLC	45,577,023.56
MUFG Bank, Ltd.	1,328,072.43
Danish Ship Finance A/S (Danmarks Skibskredit A/S)	780,671.16
Clifford Capital Pte. Ltd.	1,986,835.62
Bank of America Credit Products Inc.	624,536.92

Bank of America N.A.	272,078.29
Morgan Stanley Bank International Limited	67,091.82
China Development Bank	1,591,109.23
Industrial and Commercial Bank of China (Europe) S.A. Amsterdam Branch	1,591,109.23
Royal Bank of Canada	90,215.43
Wells Fargo Bank, N.A.	753,092.70
Cathay United Bank Co., Ltd.	848,591.59
Canyon Capital Finance S.á r.l.	1,256,757.13
The Canyon Value Realization Master Fund, L.P.	731,097.34
Cowell & Lee Asia Credit Opportunities Fund	589,104.91
Deutsche Bank AG London Branch	51,611,391.41
Attestor Value Master Fund LP	3,894,465.32
Cross Ocean USSS Fund I (A) LP	795,210.05
Cross Ocean ESS III S.à r.l	472,035.79
Cross Ocean Global SIF (A) L.P.	613,695.66
Cross Ocean GSS Master Fund LP	128,423.62
Cross Ocean SIF ESS (K) S.à r.l	165,621.92
Cross Ocean GCD Master Fund I A LP	13,247.00
TCA Event Investments S.á r.l.	163,079.60
TCA Opportunity Investments S.á r.l.	1,319,462.04
J.P. Morgan Securities plc	58,034,734.86
Westal Holdings Ltd.	33,515.59
OFM II, L.P.	559,729.73
Cetus Capital VI, L.P.	754,114.34
Elliot International LP	3,900,431.16
Elliot Associates LP	1,671,613.35

GTAM 110 DAC	1,892,105.03
San Bernardino County Employees Retirement Association	343,264.52
Total:	USD 682,992,430.60

Schedule 2
Borrower and Guarantors

Name of Borrower	Registration number (or equivalent, if any), address	Original Jurisdiction
Seadrill Finance Limited	202100498Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Name of Guarantors	Registration number (or equivalent, if any), address	Original Jurisdiction
Seadrill 2021 Limited	202100496 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Rig Holding Company Limited	53436 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Treasury UK Limited	11267283 2nd Floor, Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS, United Kingdom	England
Seadrill Gemini Ltd.	43061 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Asia Offshore Drilling Limited	44712 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Asia Offshore Rig 1 Limited	44713 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Asia Offshore Rig 2 Limited	44714 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Asia Offshore Rig 3 Limited	45551 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill GCC Operations Ltd.	38735 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Indonesia Ltd.	41956 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Cressida Ltd.	44171 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Callisto Ltd.	46953 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Eclipse Ltd.	47104 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Seadrill Carina Ltd.	46915 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Serviços de Petróleo Ltda.	332 0808533-2 - JUCERJA Avenida Republica do Chile, n. 230, 21 Andar Sala 2101, Centro Rio De Janeiro, RJ 20. 031 919, Brazil	Brazil
Seadrill Tucana Ltd.	44690 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Castor Pte. Ltd.	201625048C 20 Collyer Quay #23-01, 20 Collyer Quay Singapore 049319	Singapore
Seadrill Tellus Ltd.	45260 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Saturn Ltd.	46302 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Jupiter Ltd.	46260 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Neptune Hungary Kft	13 09 170644 2724 Ujlengyel, Petofi Sandor, UTCA 40, Hungary	Hungary

Seadrill Gulf Operations Neptune LLC	5338018 Seadrill Headquarters, 11025 Equity Drive, Suite 150, Houston TX 77041, United States	Delaware
Seadrill North Atlantic Holdings Limited	53444 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
North Atlantic Phoenix Ltd.	45189 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Norway Operations Ltd. (previously North Atlantic Norway Ltd.) Seadrill Norway Operations Ltd., Norwegian branch (previously North Atlantic Norway Ltd, Norwegian Branch)	45148 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda 996 732 851 Drammensveien 288, 0283 Oslo, Norway	Bermuda
North Atlantic Elara Ltd.	43930 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Sevan Louisiana Hungary Kft.	13-09-170267 2724 Ujlengyel, Petofi Sandor, UTCA 40, Hungary	Hungary
Sevan Drilling North America LLC	801740894 Seadrill Headquarters, 11025 Equity Drive, Suite 150, Houston, TX 77041, United States	Texas

Seadrill Ariel Ltd.	C-108277 The LISCR Trust Company, 80 Broad Street, Monrovia, Liberia	Liberia
Seadrill Prospero Ltd.	36536 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda
Seadrill Management (S) Pte. Ltd.	200509311K 20 Collyer Quay #23-01, 20 Collyer Quay Singapore 049319	Singapore
Seadrill Telesto Ltd.	44176 Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda	Bermuda

Schedule 3
The Drilling Units

Note: the following table includes only Public Lender Information and therefore may not contain all specified information.

Drilling Unit **Name, type and IMO number**	**Drilling Unit Owner, Intra-Group Charterer (if applicable)**	**Charter Contracts** **(Existing and next contract)** **Structure, contract date, duration, day rate in USD and options**	**End-user**	**Built and Ship Registry**
West Gemini, Drillship, 9459931	Seadrill Gemini Ltd.	Existing contract Commencement: 16 July 2019 Expiration: est. end of May 2022; if options are exercised, end of November 2022 Next contract N/A		Built 2010 Panama
West Telesto, Jack-up, 9648233	Seadrill Telesto Ltd. Gulfdrill LLC (Joint Venture between Seadrill and GDI)	Existing contract Bareboat charter to GulfDrill pursuant to Qatar Joint Venture Commencement: 15 March 2020 Expiration: May 2025; if options are exercised, end of September 2026 Next contract N/A	Qatar Petroleum	Built 2013 Panama

AOD I, Jack-up, 8771253	Asia Offshore Rig 1 Limited Seadrill GCC Operations Ltd.	Existing contract Commencement: 25 October 2012 Expiration: 30 June 2022 Day rate: USD 75,000 Next contract N/A	Saudi Aramco	Built 2013 Panama
AOD II, Jack-up, 8771265	Asia Offshore Rig 2 Limited Seadrill GCC Operations Ltd.	Existing contract Commencement: 11 March 2013 Expiration: 30 May 2024 Day rate: USD 89,900 Next contract N/A	Saudi Aramco	Built 2013 Panama
AOD III, Jack-up, 9633707	Asia Offshore Rig 3 Limited Seadrill GCC Operations Ltd.	Existing contract Commencement: 11 March 2013 Expiration: 30 December 2022 Day rate: USD 92,900 Next contract N/A	Saudi Aramco	Built 2013 Panama

West Callisto, Jack-up, 9522348	Seadrill Callisto Ltd. Seadrill GCC Operations Ltd.	Existing contract Commencement: 4 March 2012 Expiration: 30 November 2022 Day rate: USD 79,500 Next contract N/A	Saudi Aramco	Built 2010 Panama
West Leda, Jack-up, 8770637	Seadrill Indonesia Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2010 Panama
West Cressida, Jack-up, 8769224	Seadrill Cressida Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2008 Panama
West Eclipse, Semi-submersible, 9604213	Seadrill Eclipse Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2013 Panama

West Carina, Drillship, 9674127	Seadrill Carina Ltd. Contracting Entity (Services Contract): Seadrill Serviços de Petróleo Ltda Contracting Entity (Charter Contract): Seadrill Management (S) Pte, Ltd.	Existing contract N/A Next contract Commencement: September 2022 Expiration: September 2025 Day rate: USD 245,000	Petrobas, Brazil	Built 2015 Panama
West Tucana, Jack-up, 8771370	Seadrill Tucana Ltd. Gulfdrill LLC (Joint Venture between Seadrill and GDI)	Existing contract Bareboat charter to GulfDrill pursuant to Qatar Joint Venture Commencement: November 2020 Expiration: May 2024; if options are exercised, September 2025 Next contract N/A	Qatar Petroleum	Built 2013 Panama

West Castor, Jack-up, 8771382	Seadrill Castor Pte. Ltd. Gulfdrill LLC (Joint Venture between Seadrill and GDI)	Existing contract Bareboat charter to GulfDrill pursuant to Qatar Joint Venture Commencement: December 2019 Expiration: August 2023, with option until end of June 2025 Next contract N/A	Qatar Petroleum	Built 2013 Singapore
West Tellus, Drillship, 9623934	Seadrill Tellus Ltd. Contracting Entity (Services Contract): Seadrill Serviços de Petróleo Ltda Contracting Entity (Charter Contract): Seadrill Management (S) Pte, Ltd.	Existing contract Commencement: 5 October 2021 Expiration: July 2022 Next contract Commencement: September 2022 Expiration: September 2025 Day rate: USD 230,000	Existing contract Shell, Brazil Next contract Petrobras, Brazil	Built 2013 Panama

West Saturn, Drillship, 9657428	Seadrill Saturn Ltd. Contracting Entity (Services Contract): Seadrill Serviços de Petróleo Ltda Contracting Entity (Charter Contract): Seadrill Offshore AS, assigned to Seadrill Management (S) Pte, Ltd. In May 2021	Existing contract Commencement: 19 January 2021 Expiration: March 2022 Day Rate: USD 200,000 for the first 60 days; USD 225,000 for remaining duration of well Next contract Commencement: July 2022 Expiration: July 2026, with four one year options until July 2030	Existing contract Exxon, Brazil Next contract Equinor, Brazil	Built 2014 Panama
West Jupiter, Drillship, 9655030	Seadrill Jupiter Ltd. Contracting Entity (Services Contract): Seadrill Serviços de Petróleo Ltda Contracting Entity (Charter Contract): Seadrill Management (S) Pte, Ltd.	Existing contract Commencement: December 2022 Expiration: October 2025 Next contract N/A	Existing contract Petrobras, Brazil Next contract N/A	Built 2014 Panama

West Neptune, Drillship, 9655028	Seadrill Neptune Hungary Kft. Contracting Entity: Seadrill Gulf Operations Neptune, LLC	Existing contract Commencement: 18 September 2021 Expiration: January 2023; if option 3 is exercised, March 2023 Next contract N/A	Existing contract LLOG, US Gulf of Mexico Next contract N/A	Built 2014 Panama
West Phoenix, Semi-submersible, 8768294	North Atlantic Phoenix Ltd. Seadrill Norway Operations Ltd.	Existing contract Commencement: 25 August 2021 Expiration: end of October 2023; option to end of February 2024 Day rate: USD 359,000 during initial term; USD 359,000 following option (split rate payment in multiple currencies) Next contract N/A	Var Energi, Norway	Built 2008 Panama
West Elara, Jack-up, 8769949	North Atlantic Elara Ltd. Seadrill Norway Operations Ltd.	Existing contract Commencement: 8 May 2018 Expiration: end of March 2028 Next contract N/A	ConocoPhillips, Norway	Built 2011 Norway

Sevan Louisiana, Semi-submersible, 9679440	Sevan Louisiana Hungary Kft. Contracting Entity: Sevan Drilling North America, LLC	Existing contract Commencement: 1 August 2021 Expiration: February 2022; if option sidetrack 2 is exercised end of March 2022 Day rate: USD 180,000 during initial term; USD 180,000 for option sidetrack 1; USD 210,000 for option sidetrack 2 Next contract Commencement: March 2022 Expiration: July 2022	Existing contract Walter Oil & Gas, US Gulf of Mexico Next contract Eni, US Gulf of Mexico	Built 2013 Panama
West Prospero, Jack-up, 8768268	Seadrill Prospero Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2007 Panama
West Ariel, Jack-up, 8769212	Seadrill Ariel Ltd.	Existing contract N/A Next contract N/A	N/A	Built 2008 Bahamas

Schedule 4
The Recycling Units

Drilling Unit **Name, type and IMO number**	**Drilling Unit Owner, Intra-Group Charterer**	**Charterer and Charter Contract (day rate and tenor)**	**Ship Registry**
Sevan Driller Drillship 8769846	Drilling Unit Owner: Sevan Driller Ltd. Intra-Group Charterer: N/A	Charterer: N/A	Panama
Sevan Brasil Drillship 8740125	Drilling Unit Owner: Sevan Brasil Ltd. Intra-Group Charterer: N/A	Charterer: N/A	Panama

Schedule 5
Form of Compliance Certificate

To: Global Loan Agency Services Limited, as Agent
From: Seadrill Rig Holding Company Limited
Date: [●] [To be delivered no later than one hundred and eighty (180)/seventy (70) days after each reporting date]

SEADRILL FINANCE LIMITED – USD 682,992,430 SENIOR SECURED CREDIT FACILITY AGREEMENT ORIGINALLY DATED [●] 2022 (AS LATER AMENDED) (THE "AGREEMENT")

We refer to the Agreement. Terms defined in the Agreement shall have the same meaning when used in this Compliance Certificate.

We confirm that as at [insert relevant reporting date], unless otherwise stated:

1.1 EBITDA

EBITDA of the RigCo Group was [●], while Adjusted EBITDA of the RigCo Group was [●].

1.2 RigCo Group Minimum Liquidity

The RigCo Covenant Liquidity was USD [●] as at [the close of business in each relevant jurisdiction] on the final Business Day of the relevant Financial Quarter, while the RigCo Covenant Liquidity required was USD 175,000,000.

1.3 Super Senior Gross Leverage Ratio

The Super Senior Gross Leverage Ratio was [●], while the Super Senior Gross Leverage Ratio was required to be equal to or less than [1.6x / 1.5x / 1.4x / 1.3x].

1.4 Total Net Leverage Ratio

The Total Net Leverage Ratio was [●], while the Total Net Leverage Ratio was required to be equal to or less than [5.0x / 4.5x / 4.0x / 3.5x].

1.5 RigCo Ongoing Liquidity – Cash sweep prepayment[1]

RigCo Ongoing Liquidity as at [*insert the relevant Cash Sweep Calculation Date*][2] was in the amount of USD [●].

The Cash Sweep Threshold as at [*insert the relevant Cash Sweep Calculation Date*] was in the amount of USD [●].

The Cash Sweep Amount was as at [*insert the relevant Cash Sweep Calculation Date*] in the amount of USD [●]. Such Cash Sweep Amount was applied towards repayment of principal amounts outstanding under the Facility.

1.6 RigCo Ongoing Liquidity – Interest

RigCo Ongoing Liquidity as at [*insert relevant PIYC Calculation Date*][3] was in the amount of USD [●].

[1] Not applicable if the first Compliance Certificate is delivered prior to the first Cash Sweep Prepayment Date.
[2] Calculated on the last Business Day of the month immediately preceding the relevant Cash Sweep Prepayment Date.
[3] Calculated on the first Business Day in the month in which the relevant Interest Payment Date falls.

The PIYC Threshold as at [*insert relevant PIYC Calculation Date*] was in the amount of USD [●].

Interest paid in cash pursuant to paragraph (a) and (b) Clause 10.2 (*Payment of interest*) as at the most recent Interest Payment Date was USD [●].

Interest capitalised and added to the principal outstanding amount under the Facility pursuant to paragraph (b) Clause 10.2 (*Payment of interest*) as at the most recent Interest Payment Date was USD [●].

1.7 RigCo Group cash sweep

The aggregate amount of cash transferred by members of the RigCo Group into the Cash Sweep Accounts from the previous Quarter Date to the Quarter Date to which this Compliance Certificate relates was USD [●].

[The amount of cash not transferred by members of the RigCo in accordance with the terms of the Agreement was USD [●], as [insert reason for withholding the cash with the RigCo Group member(s)].]

The total aggregate amount standing to the credit of the Cash Sweep Accounts as at the reporting date was [●].

1.8 Payments out of the RigCo Group

The following payments have been made to members outside the RigCo Group in the relevant Financial Quarter:

(a) [Junior Obligations Permitted Payment(s) in the amount of USD [●] following [*specify relevant Junior Obligations Permitted Payment(s)*];] [and]

(b) [Structural Permitted Payment(s) in the amount of USD [●].]

The payments have been made by way of RigCo Upstream Loans.

[We confirm that any Junior Obligations Permitted Payment(s) made in the relevant Financial Quarter was made in accordance with the requirements set out in the definition of “Junior Obligations Permitted Payments”.]

[The following amounts from SDRL Debt Issues and/or SDRL Equity Issues have been advanced or otherwise contributed to the RigCo Group:

(a) proceeds from SDRL Debt Issues in the amount of USD [●]; and

(b) proceeds from SDRL Equity Issues in the amount of USD [●].]

1.9 Excess Sales Proceeds

[Alt. 1: No Excess Sales Proceeds were generated in the relevant Financial Quarter.]

[Alt. 2: Excess Sales Proceeds generated in the relevant Financial Quarter are in the amount of USD [●].]

1.10 Non-Recourse Subsidiaries

We confirm that [the Non-Recourse Subsidiaries are [*insert list of Non-Recourse Subsidiaries*]] [there are no Non-Recourse Subsidiaries].

[In the relevant [Financial Quarter], Permitted Non-Recourse Subsidiary Investments in the amount of USD [●] have been made in respect of [*insert details of the relevant Permitted Non-Recourse Subsidiary Investments*].]

1.11 SDRL Equity Issue and SDRL Debt Issue

[Proceeds in the relevant Financial Quarter from:

(a) SDRL Equity Issue(s) was/were in amount of USD [●] following [insert details of the relevant equity issue(s)]; and

(b) SDRL Debt Issue(s) was/were in amount of USD [●] following [insert details of the relevant debt issues(s)]].

1.12 [Investment and Acquisition Basket

RigCo UFCF was [●] and the Investment and Acquisition Basket was [●].][4]

1.13 Market Value

The Market Value of each of the Drilling Units, and the Drilling Units in aggregate is attached as Appendix 1 hereto for information purposes.

1.14 Insurance

We confirm that each of the Drilling Units is insured against such risks and in such amounts as set out in Appendix 2 hereto.

1.15 No Default

We confirm that, as of the date hereof (i) each of the representations and warranties set out in Clause 21 (*Representations and warranties*) of the Agreement (except for the representations and warranties in Clause 21.7(b), Clause 21.8(b) and (c), Clause 21.9(a)(ii) (only insofar as they relate to any omission), Clause 21.10(c), Clause 21.15 (*No winding-up*) and Clause 21.22 (*Sanctions*)) is true and correct, and (ii) no event or circumstance has occurred and is continuing which constitutes or is reasonably likely to constitute an Event of Default.

Yours sincerely

for and on behalf of

Seadrill Rig Holding Company Limited

By:_____

[4] Only applicable to Compliance Certificates which related to the financial year end of the Parent.

Name:
Title: [*authorised officer*]

Appendix 1 – Market Value

Drilling Unit	Valuation from [Approved Broker]	Valuation from [Approved Broker]	Average Market Value

Appendix 2 - Insurance

Drilling Unit	Hull & Machinery	Freight Interest	Hull Interest	P&I	War risk	Insured Amount	MAPP

Schedule 6
Form of Borrower Replacement Letter

Part I

To: Global Loan Agency Services Limited as Agent
From: [Replacement Borrower], [Original Borrower] and Obligors' Agent
Dated: [●]

SEADRILL FINANCE LIMITED – USD 682,992,430 SENIOR SECURED CREDIT FACILITY AGREEMENT ORIGINALLY DATED [●] (AS LATER AMENDED) (THE "AGREEMENT")

1. We refer to the Agreement. This is a Borrower Replacement Letter. Terms defined in the Agreement have the same meaning in this Borrower Replacement Letter unless given a different meaning in this Borrower Replacement Letter.

2. Pursuant to Clause 27.2 (*Changes to the Borrower*), we request that:

   (a) [Original Borrower] be released from its obligations as Borrower under the Agreement and the Finance Documents; and

   (b) [Replacement Borrower] become the Borrower under the Agreement and the Finance Documents.

3. We confirm that:

   (a) [Replacement Borrower] is (or will become) a Guarantor prior to becoming the Borrower;

   (b) [Replacement Borrower] is (or will concurrently become) Borrower under and as defined in the New Money Facility Agreement;

   (c) no Default is continuing or is likely to occur as a result of [Replacement Borrower] replacing [Original Borrower] as Borrower; and

   (d) [Original Borrower] obligations in its capacity as Guarantor and any Security Interest granted by [Original Borrower] to the Security Documents continue to be legal, valid, binding and enforceable and in full force and effect.

4. [Replacement Borrower] agrees to become a Replacement Borrower and to be bound by the terms of the Agreement as "Borrower" pursuant to Clause 27.2 (*Changes to the Borrower*) of the Agreement.

5. [Replacement Borrower] is a [●] duly incorporated under the laws of [name of relevant jurisdiction].

6. [Replacement Borrower] administrative details are as follows:

   Address:

   E-mail address:

Attention:

7. This Borrower Replacement Letter shall become effective only upon the Agent having confirmed in writing to the Obligors' Agent that it has received all the documents and evidence listed in Part II to this Borrower Replacement Letter in form and substance satisfactory to the Agent and the Common Security Agent.

8. This Borrower Replacement Letter is governed by Norwegian law.

***

[Obligors' Agent]
By:
Name:
Title:

[Original Borrower]
By:
Name:
Title:

[Replacement Borrower]

By:
Name:
Title:

We hereby consent to the above Borrower Replacement Letter and confirm that we have received all the documents and evidence listed in Part II to this Borrower Replacement Letter in form and substance satisfactory to us and the Common Security Agent.

[●] as Agent
Date:
By:
Name:
Title:

By:
Name:
Title:

Part II
Conditions Precedent required to be delivered by a Replacement Borrower

1. A Borrower Replacement Letter executed by the Replacement Borrower, the Original Borrower and the Obligors' Agent.

2. In respect of a Replacement Borrower and any entity required to provide any Security Interest under the terms of this Agreement in connection with the accession of the Replacement Borrower, a copy of:

   (a) its constitutional documents;

   (b) a resolution of its board of directors:

      (i) approving the terms of, and the transactions contemplated by, the Borrower Replacement Letter and the Finance Documents to which it is or will be a party and resolving to execute, deliver and perform the Borrower Replacement Letter and the Finance Documents to which it is or will become a party;

      (ii) authorising a specified person or persons to execute the Borrower Replacement Letter and the Finance Documents to which it is or will be a party and all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is or will be a party; and

      (iii) authorising the Obligors' Agent to act as its agent in connection with the Finance Documents; and

   (c) if applicable, a copy of a resolution signed by all the holders of its issued shares, approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party.

3. A certificate of an authorised signatory of the Replacement Borrower and any entity required to provide any Security Interest under the terms of this Agreement in connection with the accession of the Replacement Borrower certifying that each copy document relating to it delivered pursuant to paragraph 2 above is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the relevant Borrower Replacement Letter and specimen signatures of any person signing the relevant Finance Documents on behalf of the Replacement Borrower or any entity required to provide any Security Interest under the terms of this Agreement in connection with the accession of the Replacement Borrower (as the case may be).

4. At least two (2) originals of each Security Document which the Agent and/or the Common Security Agent (as applicable) reasonably requires to be entered into by or in respect of the Replacement Borrower or any entity required to provide any Security Interest under the terms of this Agreement in order to maintain the security position contemplated by Clause 20 (*Security*) of this Agreement, executed by the parties to that document, together with copies of all notices required to be sent under the relevant Security Documents executed by the relevant parties and all other documents and instruments required under that Security Document.

5. The latest available financial statements of the Replacement Borrower.

6. Legal opinions of legal advisers to the Agent and the Common Security Agent in the relevant jurisdictions.

7. Such documentation and other evidence reasonably required for the Agent or other Finance Party to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in respect of the accession of the Replacement Borrower to this Agreement.

8. Any other document, instrument or evidence reasonably required by the Agent.

Schedule 7
Form of Resignation Letter

To: Global Loan Agency Services Limited as Agent and GLAS Trust Corporation Limited as Common Security Agent
From: [Resigning Guarantor] and Obligors' Agent
Dated: [●]

SEADRILL FINANCE LIMITED – USD 682,992,430 SENIOR SECURED CREDIT FACILITY AGREEMENT ORIGINALLY DATED [●] (AS LATER AMENDED) (THE "AGREEMENT")

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2. Pursuant to Clause 27.4 (*Release of Guarantors and Security Documents*) of the Agreement, we request that [resigning Guarantor] be released from its obligations as a Guarantor under the Agreement and the Finance Documents as [reason for resignation request] [and that the following Security Interests and Security Document(s) be released at the cost of the Obligors' Agent:

   (a) [●]; and

   (b) [●]].

3. We confirm that:

   (a) no Default is continuing or is likely to result from the acceptance of this request;

   (b) no payment is due or will, as a result of this request, become due from the Guarantor under Clause 19 (*Guarantee and indemnity*);

   (c) [the [disposal] proceeds have been or will be applied in accordance with this Agreement;]

   (d) [in the reasonable opinion of the Obligors' Agent, the Guarantor is not and has no assets of material value;] [and]

   (e) [the new [Drilling Unit Owner / Intra-Group Charterer] has acceded to the Agreement as an Additional Guarantor in accordance with the terms of Clause 27.3 (*Changes to the Guarantors*)].

4. This Resignation Letter shall be governed by Norwegian law.

***

[Obligors' Agent]
By:
Name:
Title:

[Resigning Guarantor]
By:
Name:
Title:

We hereby consent to the above Resignation Letter.

[●] as Agent
Date:
By:
Name:
Title:

By:
Name:
Title:

[●] as Common Security Agent
Date:
By:
Name:
Title:

By:
Name:
Title:

Schedule 8
Form of Accession Letter

Part I

To: Global Loan Agency Services Limited as Agent
From: [Additional Guarantor] and Obligors' Agent
Dated: [●]

SEADRILL FINANCE LIMITED – USD 682,992,430 SENIOR SECURED CREDIT FACILITY AGREEMENT ORIGINALLY DATED [●] (AS LATER AMENDED) (THE "AGREEMENT")

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.

2. [Additional Guarantor] agrees to become an Additional Guarantor and to be bound by the terms of the Agreement as an Additional Guarantor pursuant to Clause 27.3 (*Changes to the Guarantors*) of the Agreement.

3. We confirm that no Default is continuing or is likely to occur as a result of [Additional Guarantor] becoming a Guarantor.

4. [Additional Guarantor] is a [●] duly incorporated under the laws of [name of relevant jurisdiction].

5. [Additional Guarantor] will become [a Drilling Unit Owner]/[Intra-Group Charterer] under the Agreement.

6. [Additional Guarantor] administrative details are as follows:

   Address:

   E-mail address:

   Attention:

7. [The liability of [Additional Guarantor] under the Agreement shall be limited to USD [●] in addition to any interest and costs.]

8. [Limitation language (if applicable).]

9. This Accession Letter shall become effective only upon the Agent having confirmed in writing to the Obligors' Agent that it has received all the documents and evidence listed in Part II to this Accession Letter in form and substance satisfactory to the Agent and the Common Security Agent.

10. This Accession Letter is governed by Norwegian law.

* * *

Obligors' Agent

By:

Name:
Title:

[Additional Guarantor]

By:

Name:
Title:

We hereby consent to the above Accession Letter and confirm that we have received all the documents and evidence listed in Part II to this Accession Letter in form and substance satisfactory to us and the Common Security Agent.

[●] as Agent
Date:

By:

Name:
Title:

By:

Name:
Title:

Part II
Conditions Precedent required to be delivered by an Additional Guarantor

1. An Accession Letter executed by the Additional Guarantor and the Obligors' Agent.

2. In respect of an Additional Guarantor and any entity required to provide any Security Interest under the terms of this Agreement, a copy of:

   (a) its constitutional documents;

   (b) a resolution of its board of directors (i) approving the Finance Documents to which it is or will be a party and resolving to execute, deliver and perform the Finance Documents to which it is or will become a party and (ii) authorising a specified person or persons to execute the Finance Documents to which it is or will be a party and all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is or will be a party; and

   (c) if applicable, a copy of a resolution signed by all the holders of its issued shares, approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party.

3. A certificate of an authorised signatory of the Additional Guarantor and any entity required to provide any Security Interest under the terms of this Agreement certifying that each copy document relating to it delivered pursuant to Clause 1 above is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the relevant Accession Letter and specimen signatures of any person signing the relevant Finance Documents on behalf of the Additional Guarantor or any entity required to provide any Security Interest under the terms of this Agreement (as the case may be).

4. At least two (2) originals of each Security Document which the Agent reasonably requires to be entered into by or in respect of the Additional Guarantor (provided that a Share Charge over any Intra-Group Charterer will only be required to the extent the Intra-Group Charterer is a single purpose company) or any entity required to provide any Security Interest under the terms of this Agreement in order to maintain the security position contemplated by Clause 20 (*Security*) of this Agreement, executed by the parties to that document, together with copies of all notices required to be sent under the relevant Security Documents executed by the relevant parties and all other documents and instruments required under that Security Document.

5. The latest available financial statements of the Additional Guarantor.

6. Legal opinions of legal advisers to the Agent in the relevant jurisdictions.

7. Such documentation and other evidence reasonably required for the Agent or other Finance Party to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in respect of the accession of the Additional Guarantor to this Agreement.

8. Any other document, instrument or evidence reasonably required by the Agent.

Schedule 9
Form of Transfer Certificate

To: Global Loan Agency Services Limited, as Agent
From: [●] (the "**Existing Lender**") and [●] (the "**New Lender**")
Date: [●]

SEADRILL FINANCE LIMITED – USD 682,992,430 SENIOR SECURED CREDIT FACILITY AGREEMENT ORIGINALLY DATED [●] (AS LATER AMENDED) (THE "AGREEMENT")

We refer to the Agreement. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

With reference to Clause 27 (*Changes to the Parties*):

(a) The Existing Lender, in its capacity as Lender under the Agreement, confirms that it participates with [ ] of the Facility being [ ] per cent of the Total Commitments as specified in the Schedule hereto.

(b) The Existing Lender hereby transfers to the New Lender [ ] per cent of the Total Commitments as specified in the Schedule hereto, and of the equivalent rights and interest in all Finance Documents, and the New Lender hereby accepts such transfer from the Existing Lender in accordance with the terms set out herein and Clause 27 (*Changes to the Parties*) of the Agreement and assumes the same obligations to the other Finance Parties as it would have been under if it was an original Lender.

(c) The Transfer Date is [ ].

(d) The New Lender confirms that it has received a copy of the Agreement, together with such other information as it has required in connection with this transaction. The New Lender expressly acknowledges and agrees to the limitations on the Existing Lender's responsibility set out in Clause 27.9 (*Limitations of responsibility of Existing Lenders*) of the Agreement.

(e) The New Lender hereby undertakes to the Existing Lender and the Borrower that it will perform in accordance with the terms and conditions of the Agreement all those obligations which will be assumed by it upon execution of this Transfer Certificate.

(f) The address and attention details for notices, as well as the account details of the New Lender, are set out in the Schedule.

(g) This Transfer Certificate is governed by Norwegian law, with Oslo District Court (Oslo tingrett) as legal venue.

The Schedule

Commitments/rights and obligations to be transferred

I Existing Lender: [ ]

II New Lender: [ ]

III Total Commitments of Existing Lender: USD [ ]

IV Aggregate amount transferred: USD [ ]

V Total Commitments of New Lender: USD [ ]

VI Transfer Date: [ ]

Administrative Details / Payment Instructions of New Lender

Notices to New Lender:

[ ]

[ ]

Att: [ ]

Tel: + [ ]

Email: [ ]

[Insert relevant office address and attention details for notices and payments to the New Lender.]

Account details of New Lender: [Insert relevant account details of the New Lender.]

***

Existing Lender: New Lender:

[•] [•]

By: _____ By: _____

Name: Name:

Title: Title:

This Transfer Certificate is accepted and agreed by the Agent and the Transfer Date is confirmed as [●].

Agent:

Global Loan Agency Services Limited

By: _____

Name:

Schedule 10
Repayments

Quarter End	Year	Installment	Balloon Payment[5]	Balance[6]
Mar-21	2021	-	-	683.0
Jun-21	2021	-	-	683.0
Sep-21	2021	-	-	683.0
Dec-21	2021	-	-	683.0
Mar-22	2022	-	-	683.0
Jun-22	2022	-	-	683.0
Sep-22	2022	-	-	683.0
Dec-22	2022	-	-	683.0
Mar-23	2023	(10.0)	-	673.0
Jun-23	2023	(10.0)	-	663.0
Sep-23	2023	(10.0)	-	653.0
Dec-23	2023	(10.0)	-	643.0
Mar-24	2024	(10.0)	-	633.0
Jun-24	2024	(10.0)	-	623.0
Sep-24	2024	(10.0)	-	613.0
Dec-24	2024	(10.0)	-	603.0
Mar-25	2025	(10.0)	-	593.0
Jun-25	2025	(10.0)	-	583.0
Sep-25	2025	(10.0)	-	573.0
Dec-25	2025	(10.0)	-	563.0
Mar-26	2026	(10.0)	-	553.0
Jun-26	2026	(10.0)	-	543.0
Sep-26	2026	(10.0)	-	533.0
Dec-26	2026	(10.0)	-	523.0
Mar-27	2027	(10.0)	-	513.0
Jun-27	2027	(10.0)	(503.0)	-

[5] PIYC Interest element not reflected.
[6] PIYC Interest element not reflected.

Schedule 11
Form of RigCo Ongoing Liquidity and Cash Sweep Amount Calculation

Cash and Cash Equivalents of the RigCo Group	[●]
plus	
any undrawn and available amount under the Revolving Facility	[●]
less	
forecasted/committed SPS costs and/or mobilisation costs for next 90 days for members of the RigCo Group, net of any relevant mobilisation fees	[●]
drawn Incremental Facility which has not yet been applied towards its permitted purpose	[●]
principal and interest payments due under this Agreement known on the relevant Cash Sweep Calculation Date to be payable on or before the next Cash Sweep Prepayment Date	[●]
Excess Sales Proceeds that have arisen and have not yet been applied by the RigCo Group where the sale or other disposal to which such Excess Sales Proceeds relate occurred not more than six (6) months from the relevant Cash Sweep Calculation Date	[●]
Total RigCo Ongoing Liquidity available for cash sweep calculation:[7]	[●]
Amounts paid in respect of any Investment or Acquisition in reliance on paragraph (n) of the definition of "Permitted Investment/Acquisition" *less* the proceeds from the Hemen Convertible Bond (to the extent not already deducted)[8]	[●]
Amounts paid under Financial Support in reliance on paragraph (n) of the definition of "Permitted Financial Support"[9]	[●]
Amounts paid under Financial Support or other investments in reliance on paragraph (d) of the definition of "Permitted Non-Recourse Subsidiary Investment"[10]	[●]
Applicable Cash Sweep Threshold:	[●]
Cash Sweep Amount (not to be less than zero):	[●]

[7] Calculated on the last Business Day of the month immediately preceding the relevant Cash Sweep Prepayment Date.
[8] During the period of 18 months ending on the relevant PIYC Calculation Date.
[9] During the period of 18 months ending on the relevant PIYC Calculation Date.
[10] During the period of 18 months ending on the relevant PIYC Calculation Date.

Schedule 12

Form of RigCo Ongoing Liquidity and Interest Calculation

Cash and Cash Equivalents of the RigCo Group	[●]
plus	
any undrawn and available amount of Revolving Facility	[●]
less	
forecasted/committed SPS costs and/or mobilisation costs for next 90 days for members of the RigCo Group, net of any relevant mobilisation fees	[●]
drawn Incremental Facility which has not yet been applied towards its permitted purpose	[●]
Total RigCo Ongoing Liquidity available for interest calculation:[11]	[●]
Amounts paid in respect of any Investment or Acquisition in reliance on paragraph (n) of the definition of "Permitted Investment/Acquisition" *less* the proceeds from the Hemen Convertible Bond (to the extent not already deducted)[12]	[●]
Amounts paid under Financial Support in reliance on paragraph (n) of the definition of "Permitted Financial Support"[13]	[●]
Amounts paid under Financial Support or other investments in reliance on paragraph (d) of the definition of "Permitted Non-Recourse Subsidiary Investment"[14]	[●]
Applicable PIYC Interest Threshold:	[●]
Interest to be paid cash pursuant to paragraphs (a) and (b) Clause 10.2 (*Payment of interest*)	[●]
Interest to be capitalised and added to the principal outstanding amount under the Facility pursuant to paragraph (b) Clause 10.2 (*Payment of interest*)	[●]

[11] Calculated on the first Business Day in the month in which the relevant Interest Payment Date falls.
[12] During the period of 18 months ending on the relevant PIYC Calculation Date.
[13] During the period of 18 months ending on the relevant PIYC Calculation Date.
[14] During the period of 18 months ending on the relevant PIYC Calculation Date.

Schedule 13
Corporate Structure

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Schedule 14

Reference Rate Terms

US DOLLARS

CURRENCY:	USD.
Cost of funds as a fallback.	
Cost of funds will apply as a fallback.	
Definitions:	
Additional Business Days:	An RFR Banking Day.
Baseline CAS:	Length of Interest Period Credit Adjustment Spread for USD Length of Interest Period Credit Adjustment Spread for USD Does not exceed 1 month 0.11448% 2 months 0.18456% 3 months 0.26161% 6 months 0.42826%
Break Costs:	None specified.
Business Day Conventions (definition of "Month" and Clause 11.2 (Non-Business Days)):	(a) If any period is expressed to accrue by reference to a Month or any number of Months then, in respect of the last Month of that period: (i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; (i) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(i) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

(b) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Central Bank Rate:

(a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or

(b) If that target is not a single figure, the arithmetic mean of:

(i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and

(ii) the lower bound of that target range.

Central Bank Rate Adjustment:

In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the 20 per cent trimmed arithmetic mean (calculated by the Agent) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR is available.

Central Bank Rate Spreads:

In relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Agent of:

(a) the RFR for that RFR Banking Day; and

(b) the Central Bank Rate prevailing at close of business on that RFR Banking Day.

Daily Rate:

The "**Daily Rate**" for any RFR Banking Day is:

(a) the RFR for that RFR Banking Day; or

(b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:

(i) the Central Bank Rate for that that RFR Banking Day; and

(ii) the applicable Central Bank Rate Adjustment; or

(c) if paragraph (b) applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:

(i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and

(ii) the applicable Central Bank Rate Adjustment,

rounded, in each case, to five decimal places, and if, in either case, if the aggregate of that rate and the Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the Credit Adjustment Spread is zero.

Lookback Period: Five RFR Banking Days.

Market Disruption Rate: The percentage rate per annum which is the aggregate of:

(a) the Cumulative Compounded RFR Rate for the Interest Period of the relevant Loan; and

(b) the applicable Credit Adjustment Spread.

Relevant Market: The market for overnight cash borrowing collateralised by US Government securities.

Reporting Day: The Business Day which follows the day which is the Lookback Period prior to the last day of the Interest Period.

RFR:	The secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).
RFR Banking Day:	Any day other than: (a) a Saturday or Sunday; and (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.
Reporting Times:	
Deadline for Lenders to report market disruption in accordance with Clause 12.2	Close of business in London on the Reporting Day for the relevant Loan.
Deadline for Lenders to report their cost of funds in accordance with Clause 12.3(a)(ii)	Close of business on the date falling two Business Days after the Reporting Day for the relevant Loan (or, if earlier, on the date falling three Business Days before the date on which interest is due to be paid in respect of the Interest Period for that Loan).

Schedule 15
Daily Non-Cumulative Compounded RFR Rate

The "**Daily Non-Cumulative Compounded RFR Rate**" for any RFR Banking Day "i" during an Interest Period for a Loan is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose) calculated as set out below:

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where:

"**UCCDRi**" means the Unannualised Cumulative Compounded Daily Rate for that RFR Banking Day "i";

"**UCCDRi**-1" means, in relation to that RFR Banking Day "i", the Unannualised Cumulative Compounded Daily Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

"**ni**" means the number of calendar days from, and including, that RFR Banking Day "i" up to, but excluding, the following RFR Banking Day; and

the "**Unannualised Cumulative Compounded Daily Rate**" for any RFR Banking Day (the "Cumulated

RFR Banking Day") during that Interest Period is the result of the below calculation (without rounding, to the extent reasonably practicable for the Finance Party performing the calculation, taking into account the capabilities of any software used for that purpose):

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where:

"**ACCDR**" means the Annualised Cumulative Compounded Daily Rate for that Cumulated RFR Banking Day;

"**tni**" means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the Cumulation Period;

"**Cumulation Period**" means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, that Cumulated RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

the "Annualised Cumulative Compounded Daily Rate" for that Cumulated RFR Banking Day is the percentage rate per annum (rounded to four decimal places until such time as the Agent can facilitate five decimal places for USD) calculated as set out below:

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where:

"**d0**" means the number of RFR Banking Days in the Cumulation Period;

"**Cumulation Period**" has the meaning given to that term above;

"**i**" means a series of whole numbers from one to d0, each representing the relevant RFR Banking Day in chronological order in the Cumulation Period;

"**DailyRatei-LP**" means, for any RFR Banking Day "i" in the Cumulation Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "i";

"**ni**" means, for any RFR Banking Day "i" in the Cumulation Period, the number of calendar days from, and including, that RFR Banking Day "i" up to, but excluding, the following RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

"**tni**" has the meaning given to that term above.

Schedule 16
Cumulative Compounded RFR Rate

The "**Cumulative Compounded RFR Rate**" for any Interest Period for a Loan is the percentage rate per annum (rounded to the same number of decimal places as is specified in the definition of "Annualised Cumulative Compounded Daily Rate" in Schedule 15 (*Daily Non-Cumulative Compounded RFR Rate*)) calculated as set out below:

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where:

"**d0**" means the number of RFR Banking Days during the Interest Period;

"**i**" means a series of whole numbers from one to d0, each representing the relevant RFR Banking Day in chronological order during the Interest Period;

"**DailyRatei-LP**" means for any RFR Banking Day "i" during the Interest Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "i";

"**ni**" means, for any RFR Banking Day "i", the number of calendar days from, and including, that RFR Banking Day "i" up to, but excluding, the following RFR Banking Day;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number; and

"**d**" means the number of calendar days during that Interest Period.

Execution Version

$50,000,000 Initial Principal Amount

of

Senior Convertible Notes due August 22, 2028

NOTE PURCHASE AGREEMENT

Dated as of February 22, 2022

by and among

SEADRILL 2021 LIMITED,
as Company

and

HEMEN HOLDING LIMITED,
as Purchaser

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NOTE PURCHASE AGREEMENT

This NOTE PURCHASE AGREEMENT (this "**Agreement**") is entered into as of February 22, 2022, by and among SEADRILL 2021 LIMITED (to be renamed Seadrill Limited) (together with any successor entity thereto, including another Person (as defined below) that is or is to be the ultimate parent company of the Seadrill group following the effectiveness of the Plan (as defined below) (the "**Company**"), an exempted company incorporated with registration number 202100496 under the Laws of Bermuda and Hemen Holding Limited, a Cyprus limited liability company.

PRELIMINARY STATEMENTS

WHEREAS, on February 7, 2021 the Company and certain of its affiliates commenced voluntary cases under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas (the "**Bankruptcy Court**");

WHEREAS, the Company and Purchaser have negotiated in good faith at arm's-length and agreed to enter into certain transactions in furtherance of a global restructuring of the Company's capital structure as set forth in the *First Amended Joint Chapter 11 Plan of Reorganization of Seadrill Limited and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* Docket No. 964, filed in the Bankruptcy Court on August 31, 2021 (as the same may from time to time be subsequently modified, revised, or amended, the "**Plan**"); and,

WHEREAS, on the Closing Date (as hereinafter defined), the Company desires to issue to the Purchaser and the Purchaser desires to purchase from the Company the Notes (as hereinafter defined) upon the terms and subject to the conditions set forth in this Agreement and the Plan.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

Article I.

Definitions and Accounting Terms

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified. For purposes of this definition, a Person shall be deemed to "Control" or be "Controlled by" a Person if such Person possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"**Agreement**" means this Note Purchase Agreement and all Exhibits, Schedules and Annexes attached hereto.

"**Attorney Costs**" means all reasonable and documented in reasonable detail fees, expenses and disbursements of any law firm or other external legal counsel.

"**Benchmark Replacement**" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Company and Holders giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

"Benchmark Replacement Adjustment" means, with respect to any replacement of LIBOR with an Unadjusted Benchmark Replacement for each applicable interest period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Company and the Holders giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes that the Company and Holders decide may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Company in a manner substantially consistent with market practice (or, if the Company decides that adoption of any portion of such market practice is not administratively feasible or if the Company determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Company and the Holders decide is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to LIBOR:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to LIBOR:

(1) a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative.

"Benchmark Transition Start Date" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Company and the Holders.

"**Board of Directors**" means:

(1) with respect to a corporation or company, the board of directors of the corporation or company or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Business Day**" means any day that is not a Legal Holiday.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents, including membership interests

(however designated, whether voting or nonvoting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether issued and outstanding on the date hereof or issued after the Closing Date; provided, however, that Capital Stock will not include any Indebtedness that is convertible into or exchangeable for (x) any such equity or (y) any combination of such equity and cash based on the value of such equity.

"**Change in Law**" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty (excluding the taking effect after the Closing Date of a law, rule, regulation or treaty adopted prior to the Closing Date), (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"**Change of Control**" means, solely for purposes of Section 11.01 hereof, if at any time during the applicable Conversion Period, in one or a series of related transactions, directly or indirectly:

(5) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the voting shares of the Company entitled to vote at a general meeting of shareholders; or

(6) there shall occur the sale, lease, exchange, license or other transfer or disposition (including by way of merger, purchase, amalgamation, consolidation, scheme of arrangement or other business combination transaction), in a single transaction or a series of transactions, of all or substantially all of the Company's and its subsidiaries assets (determined on a consolidated basis and taken as a whole and as measured by asset valuations or other Fair Market Value determinations).

"**Close of Business**" means 5:00 p.m. New York City time.

"**Closing**" has the meaning assigned to such term in Section 2.02.

"**Closing Date**" means February 22, 2022.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"**Common Shares**" means the common shares, having a par value of greater than $0.01 per share, of the Company, subject to the provisions of Section 6.05.

"**Common Shares Change Event**" has the meaning specified in Section 6.05.

"**Company**" has the meaning specified in the introductory paragraph to this Agreement.

"**Contractual Obligation**" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"**Control**" has the meaning specified in the definition of "Affiliate".

"**Conversion Date**" has the meaning specified in Section 6.02(a).

"**Conversion Period**" means the period beginning with (i) the earlier of (a) the date on which the Company's Common Shares are listed and begin trading on the New York Stock Exchange or (b) the date on which the Company's Common Shares are listed and begin trading on the Oslo Stock Exchange, or (ii) solely with respect to a conversion in connection with a Change of Control pursuant to Article XI hereof, the Closing Date, and, with respect to both the foregoing clauses (i) and (ii), ending on the earlier of (i) the date that is five (5) Business Days following the delivery of a Change of Control Notification, (ii) the date that is one (1) Business Day prior to the occurrence of a Change of Control, or (iii) the date that is ten (10) Business Days before the Final Maturity Date.

"**Conversion Price**" means, as of any time, an amount equal to (a) one thousand dollars ($1,000) divided by (b) the Conversion Rate.

"**Conversion Rate**" means initially 52.6316 Common Shares per $1,000 principal amount of Notes, subject to adjustment as set forth herein. Whenever this Agreement refers to the Conversion Rate as of a particular date without setting forth a particular time on such date, such reference will be deemed to be to the Conversion Rate in effect immediately after the Close of Business on such date.

"**Debtor Relief Laws**" means the Bankruptcy Code of the United States, and all other liquidation, winding up, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Default**" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"**Disposition**" or "**Dispose**" means the sale, transfer, license, lease or other disposition (including any sale leaseback transaction and any sale or issuance of Equity Interests in a Restricted Subsidiary) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"**Dispute**" shall have the meaning set forth in Section 14.11 hereof.

"**Dispute Mechanism**" shall have the meaning set forth in Section 14.11 hereof.

"**Documents**" means, collectively, this Agreement, the Notes, any certificates, and any other material document or instrument executed and delivered by the Company or any of its Subsidiaries in connection with this Agreement, other than the Intercreditor Agreement.

"**Dollar**" and "**$**" mean lawful money of the United States.

"**Early Opt-in Election**" means the occurrence of:

(1) a determination by the Company and the Holders to incorporate or adopt a new benchmark interest rate to replace LIBOR, and

(2) the delivery of a written declaration by the Company and the Holders to declare that an Early Opt-in Election has occurred.

"**Equity Interests**" means, with respect to any Person, all of the shares, interests, rights, participations or other equivalents (however designated) of capital stock of (or other ownership or profit interests or units in, including any limited or general partnership interest and any limited liability company membership interest) such Person and all of the warrants, options or other rights for the purchase, acquisition or exchange from such Person of any of the foregoing (including through convertible securities).

"**Equity-Linked Securities**" means (i) any rights, options or warrants to purchase or otherwise acquire (whether immediately, during specified times, upon the satisfaction of any conditions or otherwise) any Common Shares or (ii) any Capital Stock or Indebtedness issued by the Company that is convertible into Common Shares.

"**Event of Default**" has the meaning specified in Section 10.01.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Ex-Dividend Date**" means the first date on which the Common Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Common Shares on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market or if the Common Shares is not listed for trading on a U.S. national, European or regional securities exchange on the relevant date, the "Ex-Dividend Date" shall be the Business Day immediately following the Record Date.

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in an arm's-length transaction not involving undue pressure or compulsion to complete the transaction on the part of either party. Unless otherwise expressly provided herein, Fair Market Value shall be as reasonably determined by the Company (acting by its Board of Directors) in good faith, subject in all respects to the Dispute Mechanism as set forth in Section 14.11 hereof.

"**FATCA"** means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not

materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"**Final Maturity Date**" means August 22, 2028.

"**Governmental Authority**" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Holder**" or "**Holders**" means Purchaser and its or their respective successors and assigns.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**IFRS**" means International Financial Reporting Standards and applicable accounting requirements set by the International Accounting Standards Board or any successor thereto (or the Financial Accounting Standards Board, the Accounting Principles Board of the American Institute of Certified Public Accountants, or any successor to either such Board, or the SEC, as the case may be), as in effect from time to time.

"**Indemnified Liabilities**" has the meaning specified in Section 2.04.

"**Indemnified Parties**" has the meaning specified in Section 2.04.

"**Information**" has the meaning specified in Section 14.15.

"**Intercreditor Agreement**" means that certain Intercreditor Agreement between Global Loan Agency Services Limited, as super senior agent and as senior agent, the Purchaser, the Company, Seadrill Rig Holding Company Limited, the companies named on the signing pages thereto, as intra-group lenders, the companies named on the signing pages thereto, as debtors and GLAS Trust Corporation Limited as security trustee, dated February 22, 2022, as amended, modified or supplemented.

"**Interest Payment Date**" means March 15, June 15, September 15 and December 15 of each year and the Final Maturity Date.

"**IRS**" means Internal Revenue Service of the United States.

"**Laws**" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents

or authorities and executive orders, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

"**Legal Holiday**" means a Saturday, Sunday or day on which banks and trust companies in the principal place of business of the Company or in New York, Norway, the United Kingdom or in Bermuda are not required to be open. Unless otherwise expressly provided herein, if a payment date is a Legal Holiday, payment may be made on the next succeeding day that is not a Legal Holiday, and interest shall accrue for the intervening period.

"**Lien**" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any capitalized lease having substantially the same economic effect as any of the foregoing); provided, that in no event shall an operating lease in and of itself be deemed a Lien.

"**LIBOR Rate**" means the greater of (a) the rate appearing on the applicable Bloomberg page (or on any successor or substitute page or service providing quotations of interest rates applicable to dollar deposits in the London interbank market comparable to those currently provided on such page) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of an interest period, as the rate for dollar deposits with a maturity comparable to such interest period and (b) 0%.

"**Market Price**" of the Common Shares on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. national, European or regional securities exchange on which the Common Shares are traded. If the Common Shares are not listed for trading on a U.S. national, European or regional securities exchange on the relevant date, the "Market Price" shall be the last quoted bid price for the Common Shares in the over-the-counter market on the relevant date as reported by OTC Markets Group Inc. or a similar organization. If the Common Shares are not so quoted, the "Market Price" of each Common Share shall be equal to the Fair Market Value of each such Common Share.

"**Material Adverse Effect**" means any event, circumstance or condition that has had a materially adverse effect on (a) the business, operations, earnings, assets, liabilities (actual or contingent) or financial condition of the Company and its Subsidiaries, taken as a whole, (b) the ability of the Company (taken as a whole) to perform its respective payment obligations under any Document to which the Company is a party or (c) the rights and remedies of the Purchaser under any Document.

"**Maximum Lawful Rate**" has the meaning assigned to such term in Section 3.02(d).

"**Notes**" has the meaning assigned to such term in Section 2.01.

"**Obligations**" means all debts, liabilities, obligations, covenants and duties of, the Company arising under any Document or otherwise with respect to any Note, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees and expenses that accrue after the commencement by or against the Company of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees and expenses are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Company under the Documents (and any of their Subsidiaries to the extent they have obligations under the Documents) include the obligation (including guarantee obligations) to pay principal, interest, reimbursement obligations, charges, expenses, fees, Attorney Costs, indemnities and other amounts payable by the Company under any Document.

"**Open of Business**" means 9:00 a.m., New York City time.

"**Organization Documents**" means (a) with respect to any corporation or company, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement, and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its incorporation, formation or organization with the applicable Governmental Authority in the jurisdiction of its incorporation, formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Purchaser**" means Hemen Holding Limited, a Cyprus limited liability company.

"**Record Date**" means, with respect to any dividend, distribution or other transaction or event in which the holders of the Common Shares have the right to receive any cash, securities or other property or in which the Common Shares are exchanged for or converted into cash, securities or other property, the date fixed for determination of holders of the Common Shares entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors, statute or contract or otherwise).

"**Reference Property**" has the meaning specified in Section 6.05.

"**Reference Property Unit**" has the meaning specified in Section 6.05.

"**Regular Record Date**" means, with respect to any Interest Payment Date, the March 1, June 1, September 1 or December 1, as the case may be, immediately preceding such Interest Payment Date.

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**Responsible Officer**" means the chief executive officer, president, senior vice president, senior vice president (finance), executive vice president, vice president, chief financial officer, treasurer, manager of treasury activities or assistant treasurer or other similar officer or Person performing similar functions of the Company and, as to any document delivered on the Closing Date, any secretary or assistant secretary of the Company. Any document delivered hereunder that is signed by a Responsible Officer of the Company shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Company and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Company.

"**Restricted Share**" has the meaning specified in Section 13.02.

"**Restricted Share Legend**" has the meaning specified in Section 13.02.

"**Rule 144**" means Rule 144 as promulgated by the SEC under the Securities Act, as amended from time to time, and any successor rule or regulation thereto.

"**SEC**" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Senior Finance Documents**"

(a) the US$750,000,000 senior secured credit agreement entered into on or about the date of this Agreement made between (amongst others) Seadrill Finance Limited as borrower, the entities listed in Schedule 2 therein as guarantors, the banks and financial institutions listed as lenders in 1 therein, Global Loan Agency Services Limited as facility agent and GLAS Trust Corporation Limited as common security agent; and

(b) the US$300,000,000 super senior secured credit agreement (comprising a US$125,000,000 revolving credit facility and a US$175,000,000 term loan facility) entered into on or about the date of this Agreement made between (amongst others) Seadrill Finance Limited as borrower, the entities listed in Part 1 of Schedule 1 therein as guarantors, the banks and financial institutions listed as lenders in Part 2 of Schedule 1 therein, Global Loan Agency Services Limited as facility agent and GLAS Trust Corporation Limited as common security agent.

"**SOFR**" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"**Specified Representations**" means those representations and warranties made by the Company in Section 7.01(a).

"**Subsidiary**" of a Person means a corporation, company, partnership, joint venture, limited liability company or other business entity (excluding, for the avoidance of doubt, charitable foundations) of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Company.

"**Tax**" means all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings, and any restrictions and or conditions resulting in a charge together with interest thereon and penalties in respect thereof and "taxes" and "taxation" shall be construed accordingly.

"**Term SOFR**" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Trading Day**" means a day on which trading in the Common Shares (or other security for which a closing sale price must be determined) generally occurs on the principal U.S. national, European or regional securities exchange on which the Common Shares (or such other security) is then listed or, if the Common Shares (or such other security) is not then listed on a U.S. national, European or regional securities exchange, "Trading Day" means a Business Day.

"**Transactions**" means, collectively, (a) the issuance of the Notes on the Closing Date, (b) the consummation of any other transactions in connection with the foregoing, and (c) the payment of the fees and expenses incurred in connection with any of the foregoing.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"**United States**" and "**US**" mean the United States of America.

"**USA PATRIOT Act**" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Public Law No. 107-56 (signed into law October 26, 2001)), as amended or modified from time to time.

"**wholly owned**" means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (x) director's qualifying shares and (y) nominal shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more wholly owned Subsidiaries of such Person.

Section 1.02 Other Interpretive Provisions. With reference to this Agreement and each other Document, unless otherwise specified herein or in such other Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) (i) The words "herein", "hereto", "hereof" and "hereunder" and words of similar import when used in any Document shall refer to such Document as a whole and not to any particular provision thereof.

(ii) References in this Agreement to an Exhibit, Schedule, Article, Section, clause or sub-clause refer (A) to the appropriate Exhibit or Schedule to, or Article, Section, clause or sub-clause in this Agreement or (B) to the extent such references are not present in this Agreement, to the Document in which such reference appears.

(iii) The term "including" is by way of example and not limitation.

(iv) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(c) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including".

(d) Section headings herein and in the other Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Document.

Section 1.03 [Reserved.].

Section 1.04 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including the Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted by any Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

Section 1.05 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

Section 1.06 [Reserved].

Article II.

Purchase and Sale of the Notes

Section 1.01 Issue of Notes. On or before the Closing (as defined below), upon the terms and subject to the conditions set forth in this Agreement, the Company will have authorized the issuance of (i) $50,000,000 in aggregate principal amount of its Senior Convertible Notes due August 22, 2028 (the "**Notes**") to the Purchaser, which shall be denominated in United States Dollars.

Section 1.02 Sale and Purchase of the Notes; the Closing. Subject to the terms and conditions set forth in the Documents, the Company hereby agrees to sell to the Purchaser $50,000,000 aggregate principal amount of the Notes, to be substantially in the form attached hereto as Exhibit A. In reliance upon the representations and warranties of the Company contained in the Documents, and subject to the terms set forth herein and therein and subject only to the conditions set forth in Article III hereof, Purchaser hereby agrees to purchase such Notes from the Company.

The sale and purchase of the Notes to be purchased by the Purchaser will take place at a closing (the "**Closing**") at 10:00 a.m., New York City time on February 22, 2022, at the offices of Kirkland & Ellis LLP, 300 North LaSalle, Chicago, IL 60654 or at such other time and place as is mutually agreed to by the Company and the Purchaser. At the Closing, the Company will deliver to the Purchaser the Notes (in such permitted denomination or denominations and registered in its name or the name of such nominee or nominees as the Purchaser may request) against payment of the purchase price therefor by intra-bank or federal funds wire transfer of same day funds.

Section 1.03 [Reserved].

Section 1.04 Expenses. The Company hereby agrees to reimburse Purchaser for all of the reasonable and documented attorneys' fees and disbursements of Cadwalader, Wickersham & Taft LLP incurred by Purchaser in connection with the consummation of the transactions contemplated herein, irrespective of whether the transactions contemplated herein are ultimately consummated by the parties hereto.

Section 1.05 Indemnification. The Company shall indemnify and hold harmless the Purchaser and the Holder and their respective Affiliates, officers, directors, employees, agents, members, managers, trustees, advisors, partners, agents, sub-agents, other representatives, and each person, if any, who controls any such person within the meaning of the Securities Act or the Exchange Act (collectively the "**Indemnified Parties**") from and against any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses and disbursements (including Attorney Costs) of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against any such Indemnified Parties in any way relating to or arising out of or in connection with (but limited, in the case of legal fees and expenses, to the Attorney Costs of one counsel to all Indemnified Parties taken as a whole and, if reasonably necessary, a single local counsel for all Indemnified Parties taken as a whole in each relevant jurisdiction that is material to the interests of such Indemnified Parties (which may be a single local counsel acting in multiple material jurisdictions), and solely in the case of a conflict of interest between Indemnified Parties (where the Indemnified Party affected by such conflict has informed the Company in writing of such conflict), one additional counsel in each relevant jurisdiction to each group of affected Indemnified Parties similarly situated taken as a

whole) a breach of a representation or warranty by the Company in this Agreement or a failure by the Company to comply with its covenants in this Agreement (the "**Indemnified Liabilities**"); provided, that such indemnity shall not, as to any Indemnified Party, be available to the extent that such liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements (i) resulted from (A) the gross negligence, bad faith or willful misconduct of such Indemnified Party as determined by a final, non-appealable judgment of a court of competent jurisdiction or (B) a material breach of any obligations under any Document by such Indemnified Party as determined by a final, nonappealable judgment of a court of competent jurisdiction or (C) any dispute solely among Indemnified Parties other than any claims arising out of any act or omission of the Company or any of its Affiliates or (ii) have been settled pursuant to any settlement arrangement entered into by the applicable Indemnified Party without the Company's prior written consent (such consent not to be unreasonably withheld or delayed). To the extent that the undertakings to indemnify and hold harmless set forth in this Section 2.05 may be unenforceable in whole or in part because they are violative of any applicable law or public policy, the Company shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnified Parties or any of them. Neither the Indemnified Parties nor the Company shall have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date) (other than, in the case of the Company, in respect of any such damages incurred or paid by an Indemnified Party to a third party). All amounts due under this Section 2.05 (after the determination of a court of competent jurisdiction, if required pursuant to the terms of this Section 2.05), shall be paid within twenty (20) Business Days after written demand therefor. The agreements in this Section 2.05 shall survive the termination of this Agreement and the repayment, satisfaction or discharge of all the Obligations. This Section 2.05 shall not apply to Taxes other than any taxes (other than taxes imposed on or measured by net income (however denominated, and including branch profits and similar taxes) and franchise or similar taxes) that represent losses, claims, damages, etc. arising from a non-tax claim.

Section 1.06 Registration of Notes; etc.

(a) The Company shall keep at its principal executive office a "register" in which the Company shall provide for the recordation of the name and address of, and the amount of outstanding principal and interest owing to the Purchaser. The entries in the register shall be conclusive evidence of the amounts due and owing to the Purchaser in the absence of manifest error. Notwithstanding anything to the contrary contained in this Agreement or the Notes, the Obligations are registered obligations and the right, title and interest of the Purchaser and its assignees in and to such Obligations shall be transferable only upon notation of such transfer in the register. The register shall be available for inspection by any Holder from time to time upon reasonable prior notice.

(b) Upon surrender for registration of transfer of any Notes in compliance with the applicable transfer limitations and procedures (including pursuant to Section 2.08(b) and Section 2.09), the Company, at its expense, will execute and deliver, in the name of the designated transferee or transferees, one or more new Notes of the same type, and of a like aggregate principal amount.

(c) Notes may be exchanged at the option of the Holder for Notes of a like aggregate principal amount but in different denominations. Whenever any Notes are so surrendered for exchange, the Company at its expense, will execute and deliver the Notes that the Holder is entitled to receive.

(d) All Notes issued upon any registration of transfer or exchange of such Notes will be the legal and valid obligations of the Company evidencing the same interests, and entitled to the same benefits, as the Notes surrendered upon such registration of transfer or exchange.

(e) Unless the Company specifies otherwise, the Company will not be required to exchange or register a transfer of any Note that has been surrendered for conversion or that is subject to redemption, except to the extent any portion of such Note is not subject to the foregoing.

(f) Every Note presented or surrendered for registration of transfer or exchange will (if so required) be duly endorsed or will be accompanied by a written instrument of transfer in form reasonably satisfactory to the Company duly executed by the Holder thereof or its attorney duly authorized in writing.

(g) The Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes of this Agreement and the Company shall not be affected by any notice to the contrary, until due presentment of such Note for registration of transfer so provided in this Section 2.06.

Section 1.07 [Reserved.]

Section 1.08 Purchaser's Representations; Waiver of Claims.

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation.

(b) The Purchaser has the requisite power and authority to enter into and perform its obligations under this Agreement and to purchase the Notes in accordance with the terms hereof. The execution, delivery and performance of this Agreement by the Purchaser and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action, and no further consent or authorization for the Purchaser is required. This Agreement has been duly executed and delivered by the Purchaser. This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms.

(c) The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby and thereby do not and shall not (a) result in a violation of the Purchaser's charter documents, bylaws or other applicable organizational documents, (b) conflict with, constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give rise to any rights of termination, amendment, acceleration or cancellation of, any contract to which the Purchaser is a party or is bound, (c) create or impose any lien, charge or encumbrance on any property of the Purchaser under any agreement or any commitment to which the Purchaser is party or under

which the Purchaser is bound or under which any of its properties or assets are bound, or (d) result in a violation of any federal, state, local or foreign statute, rule, or regulation, or any order, judgment or decree of any court or governmental agency applicable to the Purchaser or by which any of its properties or assets are bound or affected, except, in the case of clauses (b), (c) and (d), for such conflicts, defaults, terminations, amendments, acceleration, cancellations and violations as would not, individually or in the aggregate, prohibit or otherwise interfere with the ability of the Purchaser to enter into and perform its obligations under this Agreement in any material respect. The Purchaser is not required under federal, state, local or foreign law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement or to acquire the Notes in accordance with the terms of the Agreement and the Notes.

(d) The Purchaser represents, for itself, that it is purchasing the Notes to be purchased by it solely for its own account and not as nominee or agent for any other Person and not with a view to, or for offer or sale in connection with, any distribution thereof (within the meaning of the Securities Act) that would be in violation of the securities laws of the United States or any state thereof, without prejudice, however, to Purchaser's right at all times to sell or otherwise dispose of all or any part of such Notes pursuant to a registration statement under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act, subject to the terms of this Agreement.

(e) The Purchaser further represents, agrees and acknowledges, for itself, that it:

(A) is knowledgeable, sophisticated and experienced in business and financial matters;

(B) has previously invested in securities similar to the Notes and the Common Shares, if any, issuable upon conversion thereof and fully understands the limitations on transfer described in Article XIII and the restrictions on sales and other dispositions in the Documents;

(C) is able to bear the economic risk of its investment in the Notes and the Common Shares, if any, issuable upon conversion thereof and is currently able to afford the complete loss of such investment;

(D) is an "accredited investor" as defined in Regulation D promulgated under the Securities Act and was not formed for the specific purpose of investing in the Notes and the Common Shares, if any, issuable upon conversion thereof;

(E) did not employ any broker or finder in connection with the transactions contemplated in this Agreement;

(F) understands that:

(A) the Notes and the Common Shares, if any, issuable upon conversion thereof have not been registered under the

Securities Act and are being issued by the Company in transactions exempt from the registration requirements of the Securities Act and the Company has not undertaken to register the Notes and the Common Shares, if any, issuable upon conversion thereof under the Securities Act or any state or blue sky law;

(B) the Notes and the Common Shares, if any, issuable upon conversion thereof may not be offered or sold except pursuant to an effective registration statement under the Securities Act or pursuant to an applicable exemption from registration under the Securities Act, subject to the terms relating to the restriction on sales in this Agreement and with respect to the Common Shares, the bye-laws of the Company and any shareholders' aagreement in force at such time; and

(C) even if registered, no market for the Notes and the Common Shares, if any, issuable upon conversion thereof may develop;

(G) further understands that the exemption from registration afforded by Rule 144 (the provisions of which are known to the Purchaser) promulgated under the Securities Act depends on the satisfaction of various conditions, and that, if applicable, Rule 144 may afford the basis for sales only in limited amounts;

(H) has had access to all information that it believes is necessary, sufficient or appropriate in connection with its purchase of the Notes and the Common Shares, if any, issuable upon conversion thereof, has made an independent decision to purchase the Notes and the Common Shares, if any, issuable upon conversion thereof based on the information concerning the business and financial condition of the Company and its Subsidiaries, and other information available to it, which it has determined is adequate for that purpose; and

(I) understands that any projections provided to it are based on a number of assumptions and estimates that are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies which are beyond the control of the Company, and that actual results may vary materially from the projections; and

Article III.

Provision of the Notes

Section 1.01 The Notes. The Notes shall be in the aggregate original principal amount of Fifty Million Dollars ($50,000,000). The Notes shall be dated the Closing Date. The

aggregate amount of the Notes shall, subject to the provisions for mandatory prepayment and acceleration contained herein, mature and be payable in full on the Final Maturity Date.

Section 1.02 Interest.

(a) Interest shall be payable on the principal amount of the Notes, and to the maximum extent permitted by applicable Laws on any increase thereof as provided below, at the LIBOR Rate *plus* 6.0%, payable quarterly in cash on each Interest Payment Date.

(b) Interest on the Notes shall accrue from the Closing Date and shall accrue from day to day and shall be payable on (i) each Interest Payment Date (commencing on February [22], 2022) in arrears; (ii) the date of any prepayment in accordance with Article XI hereof (but only with respect to the principal amount of the Notes then prepaid) and (iii) maturity of the Notes, whether by acceleration or otherwise. All computations of interest hereunder shall be made on the basis of a 360-day year consisting of twelve 30-day months.

(c) [Reserved].

(d) The Purchaser and the Company intend to contract in strict compliance with applicable usury laws and other applicable Laws from time to time in effect. In furtherance thereof the Company stipulates and agrees that none of the terms and provisions contained in the Documents shall ever be construed to create a contract to pay, for the use, forbearance or detention of money, interest in excess of the maximum amount of interest permitted to be charged by applicable Laws from time to time in effect (the "**Maximum Lawful Rate**"). Neither the Company nor any present or future guarantors, endorsers, or other Persons hereafter becoming liable for payment of any Obligation under the Documents shall ever be liable for unearned interest thereon or shall ever be required to pay interest thereon in excess of the Maximum Lawful Rate, and the provisions of this Section 3.02(d) shall control over all other provisions of the Documents which may be in conflict or apparent conflict herewith. The Purchaser expressly disavow any intention to charge or collect excessive unearned interest or finance charges in the event the maturity of any Obligation under the Documents is accelerated. If (i) the maturity of any Obligation under the Documents is accelerated for any reason; (ii) any Obligation under the Documents is prepaid and as a result any amounts held to constitute interest are determined to be in excess of the Maximum Lawful Rate; or (iii) Purchaser or any other holder of any or all of the Obligations under the Documents shall otherwise collect money which is determined to constitute interest which would otherwise increase the interest on any or all of the Obligations under the Documents to an amount in excess of the Maximum Lawful Rate, then all sums determined to constitute interest in excess of such legal limit shall, without penalty, be promptly applied to reduce the then outstanding principal of the related Obligations or, at Purchaser's or holder's option, promptly returned to the Company or the other payor thereof upon such determination. In determining whether or not the interest paid or payable, under any specific circumstance, exceeds the Maximum Lawful Rate, the Company and the Purchaser (and any other payors thereof) shall to the greatest extent permitted under applicable law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest; (ii) exclude voluntary prepayments and the effects thereof; and (iii) amortize, prorate, allocate, and spread the total amount of interest throughout the entire contemplated term of the instruments evidencing the Obligations in accordance with the amounts outstanding from time to time

thereunder. Notwithstanding anything to the contrary set forth in this Section 3.02(d), if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the Maximum Lawful Rate, then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate as in effect from time to time. In no event shall the total interest received by Purchaser pursuant to the terms hereof exceed the amount which Purchaser could lawfully have received had the interest due hereunder been calculated for the full term hereof at the Maximum Lawful Rate. If the Maximum Lawful Rate is calculated pursuant to this paragraph, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made. As used in this Section 3.02(d) only, the term "applicable law" means the applicable Laws of the State of New York or the applicable Laws of the United States, whichever applicable Laws allow the greater interest, as such applicable Laws now exist or may be changed or amended or come into effect in the future.

Section 1.03 Default Interest. So long as any Default or Event of Default relating to or specified in clause (a) or (f) of Section 10.01 shall have occurred and be continuing, the Company shall pay, in cash on demand from time to time, interest to the extent permitted by applicable Laws at a rate per annum equal to the interest rate in Section 3.02(a) on (1) the overdue outstanding principal amount of the Notes and (2) any overdue interest thereon, and any other overdue fees and expenses reimbursable hereunder and other overdue Obligations under the Documents.

Section 1.04 No Rights as Shareholders. Holders of Notes as such (prior to any conversion of the Notes made in accordance with Article VI or Article XI hereof), will not have any rights as shareholders of the Company (including voting rights and rights to receive any dividends or other distributions on Common Shares).

Section 1.05 No Redemption. Neither the Company nor any Holder shall have the right to effect a mandatory prepayment of the Notes other than in accordance with Section 11.01 of this Agreement.

Section 1.06 Scheduled Repayment. Any and all principal of the Notes remaining unpaid, together with all interest accrued but unpaid thereon, automatically and unconditionally shall be due and payable in full in cash on the Final Maturity Date.

Section 1.07 Use of Proceeds. The Company shall use the proceeds of the sale of the Notes to fund its working capital needs and for general corporate purposes.

Section 1.08 Security and Ranking. The Notes shall constitute direct, unconditional and unsecured obligations of the Company which shall at all times rank *pari passu* to the other unsecured obligations of the Company (except for claims which are mandatorily preferred by laws of general application to companies) and be subordinated to the Senior Finance Documents pursuant to the Intercreditor Agreement. Additionally, the Notes will not be guaranteed by, or benefit from any security from, any subsidiaries or affiliates of the Company. Notwithstanding any other provision of this Agreement or any other Document, this Agreement and the Documents are subject to the Intercreditor Agreement. In the event of any inconsistency between this Agreement, the Documents and the Intercreditor Agreement, the Intercreditor Agreement

shall prevail. The Holder agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreement.

Section 1.09 Effect of Benchmark Transition Event.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Company and the Holders may amend this Agreement to replace LIBOR with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the such amendment is made. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section titled "Effect of Benchmark Transition Event" will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Company will have the right to make Benchmark Replacement Conforming Changes from time to time with the consent of the Holders and, notwithstanding anything to the contrary herein, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement. Notices; Standards for Decisions and Determinations. The Company will promptly notify the Holders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement and (iii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Company, in each case with the consent of the Holders, pursuant to this Section titled "Effect of Benchmark Transition Event," including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this this Section 3.09.

(c) Notices; Standards for Decisions and Determinations. The Company will promptly notify the Holders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement and (iii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Company, in each case with the consent of the Holders, pursuant to this Section titled "Effect of Benchmark Transition Event," including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this this Section 3.09.

Article IV.

Conditions Precedent to Borrowings

Section 1.01 Conditions to Closing. The obligation of Purchaser to purchase the Notes hereunder on the Closing Date is subject to satisfaction of, or due waiver in accordance with Section 14.03 of, each of the following conditions precedent, except as otherwise agreed between the Company and the Purchaser:

(a) Issuance of the Notes. Pursuant to Section 2.02, the Company shall have issued and delivered $50,000,000 in aggregate original principal amount of the Notes to the Purchaser.

(b) [Reserved]

(c) The Purchaser's receipt of the following, each of which shall be originals, facsimiles or copies in .pdf format (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer:

(i) counterparts of this Agreement and the Notes duly executed by each party thereto;

(ii) such certificate of good standing of the Company issued by the Bermuda Registrar of Companies, certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Company evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Documents to which the Company is a party or is to be a party on the Closing Date and including certification by a Responsible Officer that (x) the documents referred to in clause (iv) below are in full force and effect as of the Closing Date and (y) the condition specified in clause (f) below has been satisfied (it being acknowledged that the conditions specified in this Section 4.01(c)(ii) shall be deemed satisfied to the extent such documents are delivered substantially simultaneously with the consummation of the Transactions);

(iii) an opinion from Kirkland & Ellis LLP, special New York counsel to the Company;

(iv) an opinion from Conyers Dill & Pearman, special Bermuda counsel to the Company; and

(v) copies of the Plan Support and Lock-Up Agrement (the "**PSA**") and the schedules and exhibits thereto, duly executed by the parties thereto.

(d) [Reserved.]

(e) Prior to or substantially simultaneously with the Closing, the Company shall have paid all of the reasonable and documented attorneys' fees and disbursements of Cadwalader, Wickersham & Taft LLP incurred by Purchaser in connection with the consummation of the transactions contemplated herein.

(f) At least three (3) calendar days prior to the Closing Date, the Purchaser shall have received all documentation and other information about the Company reasonably requested in writing by the Purchaser at least five (5) Business Days prior to the Closing Date in order to allow the Purchaser to comply with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(g) The Specified Representations shall be true and correct in all material respects (or, if qualified by "materiality", "Material Adverse Effect" or similar language, in all respects (after giving effect to such qualification)) on and as of the Closing Date.

For purposes of determining compliance with the conditions specified in this Section 4.01, the Purchaser shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to Purchaser unless the Company shall have received notice from Purchaser prior to the proposed Closing Date specifying its objection thereto.

Article V.

Holders' Special Rights

The Company hereby agrees to grant to Holder the following special rights:

Section 1.01 Service Charges. No service charge shall be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any Tax that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 5.03 hereof not involving any transfer.

Section 1.02 Direct Payment.

(a) The Company will pay or cause to be paid all amounts payable with respect to any Note (without any presentment of such Note and without any notation of such payment being made thereon) by crediting (before 2:00 p.m., New York time on the date when due in accordance with this Agreement and/or the Note), by intra-bank or federal funds wire transfer to Holder's account in any bank as may be designated and specified in writing by Holder at least two (2) Business Days prior to the applicable payment. Purchaser's initial bank account for this purpose is on its signature page hereto.

(b) Notwithstanding anything to the contrary contained in the Notes, if any principal payable with respect to a Note is payable on a Legal Holiday, then the Company will pay such amount on the next succeeding Business Day, and interest will accrue on such amount until the date on which such amount is paid and payment of such accrued interest will be made concurrently with the payment of such amount; provided, that the Company may elect to pay in full (but not in part) any such amount on the last Business Day prior to the date such payment otherwise would be due.

(c) Notwithstanding anything to the contrary contained in the Notes, if any interest payable with respect to a Note is payable on a Legal Holiday, then the Company will pay such amount on the next succeeding Business Day.

Section 1.03 Lost, etc. Notes. Notwithstanding any provision in any Document to the contrary, if any Note is mutilated, destroyed, lost or stolen, then the affidavit of the Holder's treasurer or assistant treasurer (or other authorized officer), briefly setting forth the circumstances with respect to such mutilation, destruction, loss or theft, will be accepted as satisfactory evidence thereof, and no indemnity, security or payment of charges or expenses will be required as a condition to the execution and delivery by the Company with respect to such Note, of new Notes for a like amount, in substitution therefor, other than Purchaser's or Holder's reasonably satisfactory unsecured written agreement to indemnify the Company. If requested by Holder, the Company shall issue replacement Notes following any merger, amalgamation or consolidation of the Company not prohibited by this Agreement.

Section 1.04 [Reserved.]

Section 1.05 Certain Tax Matters.

(a) Any and all payments by or on account of any obligation of the Company under the Documents shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of the Company) requires the deduction or withholding of any Tax from any such payment, then the Company or other applicable withholding agent shall be entitled to make such deduction or withholding and account to the relevant taxing authority therefor as required. In making such deduction or withholding and remitting the balance of such payment as remains thereafter to the affected Holder, the Company shall for all purposes be regarded as having discharged in full its obligation to make the payment in question to such Holder.

(b) Any Holder that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Document (including with respect to FATCA) shall (i) if it wishes to rely on such exemption or reduction notify the Company thereof, and (ii) deliver to the Company, at the time or times reasonably requested by the Company, such properly completed and executed documentation reasonably requested by the Company as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Holder, if reasonably requested by the Company, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Company as will enable the Company to determine whether or not such Holder is subject to backup withholding or information reporting requirements (including with respect to FATCA).

Article VI.

Conversion

Section 1.01 Right to Convert. Subject to and upon compliance with the provisions of this Agreement, Holder shall have the right, at Holder's option, at any time during the applicable Conversion Period, to convert the entire principal amount of the Notes (in full and not in part) into Common Shares, at the Conversion Rate in effect on the Conversion Date for the Notes. Notwithstanding anything to the contrary:

(a) Notes may be surrendered for conversion only after the Open of Business and before the Close of Business on a day that is a Business Day;

(b) in no event may the Notes be converted after the Close of Business on the Business Day that is ten (10) Business Days before the Final Maturity Date;

(c) in no event will the Notes be converted unless and until all applicable waiting periods (and any extension thereof) prescribed by the HSR Act or any applicable foreign equivalent, if any, have expired or been terminated; and

(d) in no event will the Notes be converted and Common Shares issued in exchange unless and until all applicable consents, authorizations and/or permissions of any Governmental Authority (including the Bermuda Monetary Authority) as required by applicable Laws have been obtained.

Section 1.02 Conversion Procedure.

(a) In order to exercise the conversion right with respect to the Notes, Holder shall:

(i) complete and manually sign the conversion notice in the form set out in Exhibit B hereto (or a facsimile of such conversion notice) and deliver the same to the Company;

(ii) surrender the Note to the Company;

(iii) if required, furnish appropriate endorsements and transfer documents,

(iv) if required pursuant to Section 6.06, pay any transfer taxes or duties; and

(v) if required, pay funds equal to interest payable on the next Interest Payment Date as required by Section 6.03(d).

The date on which Holder satisfies all of the applicable requirements set forth above is the "**Conversion Date**".

The conversion shall be deemed to have been effected as to the Notes on the Conversion Date for such conversion, and the Holder shall be deemed to have become the holder of record of such Common Shares as of the Close of Business on the Conversion Date for such conversion.

(b) Each Common Share issued upon conversion of the Notes shall be subject to the Restricted Share Legend as set forth in Section 2.08.

Section 1.03 Settlement upon Conversion Into Common Shares.

(a) Upon conversion of the Notes, the type and amount of consideration due in respect of each $1,000 principal amount of Notes will be a number of Common Shares equal to the Conversion Rate, rounded down to the nearest whole Common Share, with no consideration or other payment due as a result of any fractional Common Share.

(b) Subject to Section 6.05, the Company will deliver the consideration due upon conversion of the Notes on or before the third (3rd) Business Day after the Conversion Date for such conversion.

(c) Subject to Section 6.03(d), upon conversion, Holder shall not receive any separate cash payment for accrued and unpaid interest.

(d) If the Conversion Date for the Notes is after a Regular Record Date and before the next Interest Payment Date, then (i) the Holder will receive, on such Interest Payment Date, the interest that would have accrued on the Notes to, and been payable on, such Interest Payment Date notwithstanding the conversion; and (ii) the Notes, when surrendered for conversion, must be accompanied by funds equal to the amount of such interest; provided, however, that (x) no such payment need be made for a conversion whose Conversion Date occurs following the Regular Record Date immediately preceding the Final Maturity Date or (y) to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such Note.

(e) By delivery to the Holder of the consideration due upon conversion of the Notes, the Company will be deemed to satisfy in full its obligation to pay the principal amount of the Notes and all accrued and unpaid interest to, but excluding, the Conversion Date. Upon conversion of the Notes, all accrued and unpaid interest to, but excluding, the Conversion Date will be deemed to be paid in full rather than cancelled, extinguished or forfeited, subject to Section 6.03(d).

(f) Common Shares issued upon a conversion shall be delivered pursuant to a book

(g) entry, and in no event shall paper certificates be issued or delivered, except upon the request and with the consent of the Holder receiving the same. The Company covenants that all Common Shares issued upon conversion of Notes will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

Section 1.04 Adjustment of Conversion Rate. The Conversion Rate shall be adjusted from time to time by the Company if any of the following events occurs as described below:

(a) If the Company issues solely Common Shares as a dividend, bonus issue or distribution on all or substantially all of the Common Shares, or the Company effects a share split or share combination applicable to all Common Shares (in each case excluding an issuance solely pursuant to a Common Shares Change Event, to which the provisions set forth in Section 6.05 will apply), the Conversion Rate will be adjusted based on the following formula:

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where,

CR_0 = the Conversion Rate in effect immediately prior to the Close of Business on the Record Date of such dividend, bonus issue or distribution, or immediately prior to the Open of Business on the effective date of such share split or share combination, as applicable;

CR_1 = the Conversion Rate in effect immediately after the Close of Business on such Record Date or immediately after the open of business on the effective date of such share split or share combination, as applicable;

OS_0 = the number of Common Shares issued and outstanding immediately prior to the Close of Business on such Record Date or immediately prior to the effective date of such share split or share combination, as applicable; and

OS_1 = the number of Common Shares issued and outstanding immediately after giving effect to such dividend, bonus issue, distribution, share split or share combination.

If any dividend, bonus issue, distribution, share split or share combination of the type described in this Section 6.04(a) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Company (acting by its Board of Directors) determines not to pay or make such dividend, bonus issue or distribution or to effect such share split or share combination, to the Conversion Rate that would then be in effect if such dividend, bonus issue, distribution, share split or share combination had not been declared or announced.

(b) [Reserved.]

(c) If the Company issues to all or substantially all holders of its Common Shares any rights, options or warrants entitling them, for a period of not more than forty-five (45) calendar days after the announcement date of such issuance, to subscribe for or purchase Common Shares at a price per share that is less than the average of the Market Price of the Common Shares for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, the Conversion Rate shall be increased based on the following formula:

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where,

CR_0 = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

CR_1 = the Conversion Rate in effect immediately after the open of business on such Ex-Dividend Date;

OS_0 = the number of Common Shares issued and outstanding immediately prior to the open of business on such Ex-Dividend Date;

X = the total number of Common Shares issuable pursuant to such rights, options or warrants; and

Y = the number of Common Shares equal to the aggregate price payable to exercise such rights, options or warrants, divided by the average of the Market Price of the Common Shares over the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of the issuance of such rights, options or warrants.

Any increase made under this Section 6.04(c) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that Common Shares are not delivered after the expiration of such rights, options or warrants, the Conversion Rate shall be decreased to the Conversion Rate that would then be in effect had the increase with respect to the issuance of such rights, options or warrants been made on the basis of delivery of only the number of Common Shares actually delivered. If such rights, options or warrants are not so issued, the Conversion Rate shall be decreased to the Conversion Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For the purpose of this Section 6.04(c), in determining whether any rights, options or warrants entitle the holders to subscribe for or purchase Common Shares at less than such average of the Market Price of the Common Shares for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such Common Shares, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(d) If the Company distributes shares of its Capital Stock, evidences of its indebtedness, other assets or property of the Company or rights, options or warrants to acquire its Capital Stock or other securities, to all or substantially all holders of the Common Shares, excluding (i) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 6.04(a) or Section 6.04(c), (ii) dividends or distributions paid exclusively in cash as to which an adjustment was (or was not required to be) effected pursuant to Section 6.04(e), and (iii) Spin-Offs as to which the provisions set forth below in this Section 6.04(d) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the "**Distributed Property**"), then the Conversion Rate shall be increased based on the following formula:

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where,

CR_0 = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

CR_1 = the Conversion Rate in effect immediately after the open of business on such Ex-Dividend Date;

SP_0 = the average of the Market Price of the Common Shares over the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

FMV = the Fair Market Value of the Distributed Property distributed with respect to each issued and outstanding share of Common Shares on the Ex-Dividend Date for such distribution.

Any increase made under the portion of this Section 6.04(d) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such distribution is not so paid or made, the Conversion Rate shall be decreased to the Conversion Rate that would then be in effect if such distribution had not been declared. Notwithstanding the foregoing, if "FMV" (as defined above) is equal to or greater than "SP_0" (as defined above), in lieu of the foregoing increase, Holder shall receive at the same time and upon the same terms as holders of the Common Shares, without having to convert its Notes, the amount and kind of Distributed Property Holder would have received if Holder owned a number of Common Shares equal to the Conversion Rate in effect on the Ex-Dividend Date for the distribution. If the Company (acting by its Board of Directors) determines the "FMV" (as defined above) of any distribution for purposes of this Section 6.04(d) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing "SP_0."

With respect to an adjustment pursuant to this Section 6.04(d) where there has been a payment of a dividend or other distribution on the shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national or European securities exchange (a "**Spin-Off**"), the Conversion Rate shall be increased based on the following formula:

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where,

CR_0 = the Conversion Rate in effect immediately prior to end of the Close of Business on the Record Date for such Spin-Off;

CR_1 = the Conversion Rate in effect immediately after the end of the Close of Business on the Record Date for such Spin-Off;

FMV_0 = the average of the Market Price of the Capital Stock or similar equity interest distributed to holders of the Common Shares applicable to one Common Share (determined by reference to the definition of "Market Price" as if references therein to Common Shares were to such Capital Stock or similar equity interest) over the first ten (10) consecutive Trading Day period from, and including, the Ex-Dividend Date of the Spin-Off (such period, the "**Valuation Period**"); and

MP_0 = the average of the Market Price of the Common Shares over the Valuation Period.

The increase to the Conversion Rate under the preceding paragraph shall occur on the last Trading Day of the Valuation Period; provided, however, that in respect of any conversion of Notes during the Valuation Period, references in the portion of this Section 6.04(d) related to Spin-Offs with respect to ten (10) Trading Days shall be deemed to be replaced with such lesser number of Trading Days as have elapsed from, and including, the Ex-Dividend Date of such Spin-Off to, but excluding, the Conversion Date in determining the Conversion Rate. If the Ex-Dividend Date of the Spin-Off is after the tenth (10th) Trading Day immediately preceding, and including, the end of any Observation Period in respect of a conversion of Notes, references in the portion of this Section 6.04(d) related to Spin-Offs with respect to ten (10) Trading Days shall be deemed to be replaced, solely in respect of that conversion of Notes, with such lesser number of Trading Days as have elapsed from, and including, the Ex-Dividend Date for the Spin-Off to, and including, the last Trading Day of such Observation Period.

For purposes of this Section 6.04, "Observation Period" shall mean with respect to any Notes surrendered for conversion the 20 consecutive Trading Days beginning on, and including, the 21st Trading Day immediately preceding the Conversion Date.[1]

For purposes of this Section 6.04(d) (and subject in all respects to Section 6.04(g)), rights, options or warrants distributed by the Company to all holders of its Common Shares entitling them to subscribe for or purchase shares of the Company's Capital Stock, including Common Shares (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (i) are deemed to be transferred with such Common Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the Common Shares, shall be deemed not to have been distributed for purposes of this Section 6.04(d) (and no adjustment to the Conversion Rate under this Section 6.04(d) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 6.04(d). If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the date of this Agreement, are subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Ex-Dividend Date with respect to new rights, options or warrants with such rights (in which case the existing rights, options or warrants

[1] **W&C NTD**: The term "Observation Period" is also used in Section 6.04(f). Definition to be included there also, or definition to refer to both Sections and be moved to Article I.

shall be deemed to terminate and expire on such date without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the immediately preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 6.04(d) was made, (1) in the case of any such rights, options or warrants that shall all have been redeemed or purchased without exercise by any holders thereof, upon such final redemption or purchase (x) the Conversion Rate shall be readjusted as if such rights, options or warrants had not been issued and (y) the Conversion Rate shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or purchase price received by a holder or holders of Common Shares with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of Common Shares as of the date of such redemption or purchase, and (2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights, options and warrants had not been issued.

For purposes of Section 6.04(a), Section 6.04(c) and this Section 6.04(d), if any dividend, bonus issue or distribution to which this Section 6.04(d) is applicable also includes one or both of:

(A) a dividend, bonus issue or distribution of Common Shares to which Section 6.04(a) is applicable (the "**Clause A Distribution**"); or

(B) a dividend or distribution of rights, options or warrants to which Section 6.04(c) is applicable (the "**Clause C Distribution**"),

then (1) such dividend, bonus issue or distribution, other than the Clause A Distribution and the Clause C Distribution, shall be deemed to be a dividend, bonus issue or distribution to which this Section 6.04(d) is applicable (the "**Clause D Distribution**") and any Conversion Rate adjustment required by this Section 6.04(d) with respect to such Clause D Distribution shall then be made, and (2) the Clause A Distribution and Clause C Distribution shall be deemed to immediately follow the Clause D Distribution and any Conversion Rate adjustment required by Section 6.04(a) and Section 6.04(c) with respect thereto shall then be made, except that, if determined by the Company (I) the "Ex-Dividend Date" of the Clause A Distribution and the Clause C Distribution shall be deemed to be the Ex-Dividend Date of the Clause D Distribution and (II) any Common Shares included in the Clause A Distribution or Clause C Distribution shall be deemed not to be "issued and outstanding immediately prior to the open of business on such Ex-Dividend Date or Effective Date" within the meaning of Section 6.04(a) or "issued and outstanding immediately prior to the open of business on such Ex-Dividend Date" within the meaning of Section 6.04(c).

(e) If any cash dividend or distribution is made to all or substantially all holders of the Common Shares, other than a cash dividend that does not exceed $0.10 per Common Share in any quarter (the "**Initial Dividend Threshold**"), the Conversion Rate shall be adjusted based on the following formula:

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where,

CR_0 = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

CR_1 = the Conversion Rate in effect immediately after the open of business on the Ex-Dividend Date for such dividend or distribution;

SP_0 = the Market Price of the Common Shares on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution;

T = the Initial Dividend Threshold; provided, that if the dividend or distribution exceeds $0.10 per Common Share in any quarter, the Initial Dividend Threshold shall be deemed to be zero[2]; and

C = the amount in cash per share of Common Shares the Company distributes to all or substantially all holders of Common Shares.

The Initial Dividend Threshold shall be subject to adjustment in a manner inversely proportional to adjustments to the Conversion Rate; provided, that no adjustment shall be made to the Initial Dividend Threshold for any adjustment to the Conversion Rate pursuant to this Section 6.04(e).

Any increase pursuant to this Section 6.04(e) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Conversion Rate shall be decreased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. Notwithstanding the foregoing, if "C" (as defined above) is equal to or greater than "SP_0" (as defined above), in lieu of the foregoing increase, Holder shall receive at the same time and upon the same terms as holders of Common Shares without having to convert its Notes, the amount of cash that Holder would have received if Holder owned a number of Common Shares equal to the Conversion Rate on the Ex-Dividend Date for such cash dividend or distribution.

(f) If the Company or any of its Subsidiaries make a payment in respect of a tender or exchange offer for the Common Shares, to the extent that the cash and value of any other consideration included in the payment per Common Share exceeds the average of the Market Price of the Common Shares over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the Conversion Rate shall be increased based on the following formula:

[2] **W&C NTD**: Please clarify the basis for determining the $0.10 threshold. **Note to W&C**: this is a very common form threshold in convertible securities. We are happy to discuss a different figure if preferred.

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where,

CR_0 = the Conversion Rate in effect immediately prior to the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires (the "Expiration Date");

CR_1 = the Conversion Rate in effect immediately after the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the Expiration Date;

AC = the aggregate value of all cash and any other consideration (as determined by the Board of Directors) paid or payable for Common Shares purchased in such tender or exchange offer;

OS_0 = the number of Common Shares issued and outstanding immediately prior to the Expiration Date (prior to giving effect to the purchase of all Common Shares accepted for purchase or exchange in such tender or exchange offer);

OS_1 = the number of Common Shares issued and outstanding immediately after the Expiration Date (after giving effect to the purchase of all Common Shares accepted for purchase or exchange in such tender or exchange offer); and

SP_1 = the average of the Market Price of the Common Shares over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the Expiration Date.

The increase to the Conversion Rate under this Section 6.04(f) shall occur at the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the Expiration Date; provided, that in respect of any conversion of Notes within the ten (10) Trading Days immediately following, and including, the Trading Day next succeeding any Expiration Date, references in this Section 6.04(f) with respect to ten (10) Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed between such Expiration Date and the Conversion Date in determining the Conversion Rate. In addition, if the Trading Day next succeeding the Expiration Date is after the tenth (10th) Trading Day immediately preceding, and including, the end of any Observation Period in respect of a conversion of Notes, references in this Section 6.04(f) to ten (10) Trading Days shall be deemed to be replaced, solely in respect of that conversion of Notes, with such lesser number of Trading Days as have elapsed from, and including, the Trading Day next succeeding the Expiration Date to, and including, the last Trading Day of such Observation Period.

(g) If the Company has a shareholder rights plan in effect upon conversion of the Notes into Common Shares, each Common Share, if any, issued upon such conversion shall be entitled to receive the appropriate number of rights, if any, and any physical certificate

representing the Common Shares issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any such shareholder rights plan, as the same may be amended from time to time. If however, prior to the conversion of Notes, the rights have separated from the Common Shares in accordance with the provisions of the applicable shareholder rights plan, the Conversion Rate shall be adjusted at the time of separation as if the Company distributed to all or substantially all holders of the Common Shares Distributed Property as provided in Section 6.04(d), subject to readjustment in the event of the expiration, termination or redemption of such rights

(h) In addition to those Conversion Rate adjustments required by Sections 6.04(a) through 6.04(g), the Company, from time to time, may (but is not required to) (i) increase the Conversion Rate by any amount for a period of at least twenty (20) Business Days if the Board of Directors determines that such increase would be in the Company's best interest and (ii) increase the Conversion Rate to avoid or diminish any income tax to holders of Common Shares or rights to purchase Common Shares in connection with any dividend or distribution of Common Shares (or rights to acquire Common Shares) or similar event.

(i) Notwithstanding anything to the contrary, the Conversion Rate will not be adjusted:

(i) for a change in the par value of the Common Shares; or

(ii) for accrued and unpaid interest, if any, on the Notes.

(j) Adjustments to the Conversion Rate under this Article VI shall be calculated to the nearest cent or to the nearest one-ten thousandth (1/10,000th) of a Common Share. Notwithstanding anything to the contrary in Section 6.04, no adjustment shall be made to the Conversion Rate unless such adjustment would require a change of at least one percent (1%) in the Conversion Rate, and any adjustment that would otherwise be required to be made shall be carried forward and taken into account in any future adjustment; provided, however, that upon conversion of the Notes, the Company shall give effect to all adjustments that the Company otherwise has deferred pursuant to this sentence, and those adjustments will no longer be carried forward and taken into account in any future adjustment.

(k) After any adjustment to the Conversion Rate pursuant hereto, the Company shall prepare and send to Holders, within twenty (20) days of the effective date of such adjustment, a notice of such adjustment setting forth the adjusted Conversion Rate and the date on which each adjustment became effective. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(l) For purposes of this Section 6.04, the number of Common Shares at any time issued and outstanding shall not include shares held in the treasury of the Company, so long as the Company does not pay any dividend or make any distribution on such treasury shares, but shall include shares issuable as fractions of Common Shares.

Section 1.05 Effect of Reclassification, Consolidation, Merger, Sale, Etc.. In the case of (i) any recapitalization, reclassification or change of the Common Shares (other than changes

resulting solely from a subdivision or combination, any share dividends or any change in par value), (ii) any consolidation, merger, amalgamation or combination involving the Company, (iii) any sale, lease or other transfer to a third party of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, or (iv) any statutory share exchange, in each case, as a result of which the Common Shares would be converted into, or exchanged for, or represent solely the right to receive, shares, other securities or other property or assets (including cash or any combination thereof) (any such event, a "**Common Shares Change Event**", and such shares, securities, property or assets, the "**Reference Property**", and the amount and kind of Reference Property that a holder of one (1) Common Share would be entitled to receive on account of such Common Shares Change Event (without giving effect to any arrangement not to issue fractional shares of securities or other property), each a "**Reference Property Unit**"), then, notwithstanding anything to the contrary,

(a) at the effective time of such Common Shares Change Event, the consideration due upon conversion the Notes will be determined in the same manner as if each reference to any number of Common Shares in this Article VI (or in any related definitions) were instead a reference to the same number of Reference Property Units;

(b) if such Reference Property Unit consists entirely of cash, then, in respect of all conversions whose Conversion Date occurs on or after the effective date of such Common Shares Change Event, the Company will pay the cash due upon such conversions no later than the third (3rd) Business Day after the relevant Conversion Date;

(c) the Company shall promptly execute, and the Holder shall counter-sign, a supplemental agreement pursuant to Section 14.03 hereof that (1) will provide for subsequent conversions of Notes in the manner set forth in this Section 6.05; (2) will provide for subsequent adjustments to the Conversion Rate pursuant to Section 6.04 hereof in a manner consistent with this Section 6.05; and (3) may contain such other provisions as (i) the Company in good faith determines are appropriate to preserve the economic interests of the Holder and to give effect to the provisions of this Section 6.05 and (ii) to which the Holder reasonably agrees.

If such Common Shares Change Event causes the Common Shares to be converted into, or exchanged for, or represent solely the right to receive, more than a single type of consideration (determined based in part upon any form of shareholder election), the composition of the Reference Property Unit will be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Shares that affirmatively make such an election. The Company shall notify Holder of such weighted average as soon as practicable after such determination is made.

The Company shall not become a party to any Common Shares Change Event unless its terms are consistent with this Section 6.05. None of the foregoing provisions shall affect the right of Holder to convert its Notes as set forth in Article VI and Section 6.02 prior to the effective date of such Common Shares Change Event, nor shall any of the foregoing provisions affect the right of any Holder to convert its Notes as set forth in Article XI hereof.

Section 1.06 Taxes on Shares Issued. Any issue of Common Shares upon the conversion of the Notes shall be made without charge to the Holder for any documentary,

transfer, stamp or any similar tax in respect of the issue thereof, and the Company shall pay any and all documentary, stamp or similar issue or transfer taxes or duties that may be payable in respect of the issue or delivery of Common Shares, if any, upon conversion of the Notes pursuant hereto. The Company shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issue and delivery of shares in any name other than that of the Holder, and, in addition to any other requirements or conditions set forth herein, the Company shall not be required to issue or deliver any such shares unless and until the Person or Persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Section 1.07 Reservation of Shares; Listing. The Company shall at all times hold, out of its authorized but unissued shares or shares held in treasury, sufficient Common Shares to provide for the conversion of the Notes. The Company will use its best efforts to cause all Common Shares issued upon conversion of the Notes to be listed on such securities exchange(s) upon which the Common Shares are then listed, if any.

Section 1.08 Company Determination Final. Any determination that the Board of Directors contemplated pursuant to this Article VI shall be conclusive if made in good faith and in accordance with the provisions of this Article VI, absent manifest error.

Article VII.

Representations and Warranties

To induce the Purchaser to enter into this Agreement, the Company represents and warrants each of the following to the Purchaser on and as of the Closing Date and after giving effect to the purchase of the Notes and other financial accommodations on the Closing Date:

Section 1.01 Existence, Qualification and Power; Compliance with Laws. The Company and each of its Restricted Subsidiaries that is a material subsidiary (a) is a Person duly incorporated, organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization (to the extent such concept exists in such jurisdiction), (b) has all corporate or other organizational power and authority to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Documents to which it is a party, (c) is duly qualified and in good standing (to the extent such concept exists) under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, (d) is in compliance with all applicable Laws, orders, writs, injunctions and orders and (e) has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted; except in each case referred to in clause (c), (d) or (e), to the extent that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 1.02 Authorization; No Contravention.

(a) The execution, delivery and performance by the Company of each Document to which it is a party has been duly authorized by all necessary corporate or other organizational action.

(b) Neither the execution, delivery and performance by the Company of each Document to which the Company is a party nor the consummation of the Transactions will (i) contravene the terms of any of its Organization Documents; (ii) result in any breach or contravention of, or the creation of any Lien upon any of the property or assets of the Company or any of the Restricted Subsidiaries under (A) any Contractual Obligation to which the Company is a party or affecting the Company or the properties of the Company or any of its Subsidiaries or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Company or its property is subject; or (iii) violate any applicable Law; except with respect to any breach, contravention or violation (but not creation of Liens) referred to in clauses (ii) and (iii), to the extent that such breach, contravention or violation would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 1.03 Governmental Authorization. No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Company of this Agreement or any other Document, except for (i) the approvals, consents, exemptions, authorizations, actions, notices and filings that have been duly obtained, taken, given or made and are in full force and effect, (ii) any approvals, consents, permissions from or notification and filings to the Bermuda Monetary Authority that may be required in connection with the issue and/or transfer of any Common Shares upon the conversation of the Notes, and (iii) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 1.04 Binding Effect. This Agreement and each other Document has been duly executed and delivered by the Company. This Agreement and each other Document constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity and principles of good faith and fair dealing.

Section 7.05 Solvency. On and immediately after the Closing Date, the Company and its subsidiaries (after giving effect to the issuance of the Notes and the other transactions related thereto) will be Solvent. As used in this paragraph, the term "***Solvent***" means, with respect to a particular date, that on such date (i) the present Fair Market Value (or present fair saleable value) of the assets of the Company and its subsidiaries are not less than the total amount required to pay the liabilities of the Company and its subsidiaries on their total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) the Company and its subsidiaries are able to realize upon their assets and pay their debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of the issuance of the Notes as contemplated by this Agreement, the Company and its subsidiaries are not incurring debts or liabilities beyond their ability to pay as such debts and liabilities mature; and (iv) the Company and its subsidiaries are not a defendant in any civil action that would result in a judgment that the Company and its subsidiaries are or would become unable to satisfy.

Article VIII.

Affirmative Covenants

With respect to each Section in this Article VIII, so long as any of the Notes remain unpaid and outstanding, the Company covenants to the Holders of outstanding Notes, that:

Section 1.01 Payment of Notes. The Company will pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes.

Section 1.02 Maintenance of Office or Agency. The Company shall maintain an office or agency where Notes may be presented or surrendered for registration of transfer or exchange or for payment or repurchase or for conversion and where notices and demands to or upon the Company in respect of the Notes and this Agreement may be served. The Company shall give prompt written notice to the Holder of the location, and any change in the location, of such office or agency. The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Company shall give prompt written notice to the Holder of any such designation or rescission and of any change in the location of any such other office or agency.

Section 1.03 The Company shall preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its incoporation; and take all reasonable action to maintain all rights, privileges (including its good standing), permits, licenses and franchises necessary or desirable in the normal conduct of its business; except the Company shall not be required to preserve any of the foregoing if, in the judgment of the Company, the preservation thereof is no longer desirable in the conduct of the business of the Company.

Article IX.

[RESERVED.]

Article X.

Events of Default and Remedies

Section 1.01 Events of Default. Each of the following events shall constitute an "**Event of Default**":

(a) the Company fails to pay to the Holder (i) the principal amount of the Notes as and when due, (ii) within five (5) Business Days after the same becomes due any interest on the Notes or any fees or any other obligations or (iii) fails to convert the Notes to Common Shares as required under this Agreement;

(b) the Company shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, winding up, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing;

(c) the Company fails to pay when due any principal of or interest in each case, beyond the grace period, on or any other amount payable in respect of any indebtedness under the Senior Finance Documents in excess of $25,000,000;

(d) an amount in excess of $25,000,000 under the Senior Finance Documents is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (as such term is defined in the Senior Finance Documents);

(e) any court, government, or Governmental Authority shall condemn, seize or otherwise appropriate, or take custody or control of, all or any material portion of the property of the Company and its Subsidiaries, taken as a whole;

(f) one or more judgments or orders for the payment of money in excess of $25,000,000 (or the equivalent thereof in currencies other than U.S. dollars) in the aggregate shall be entered or filed against the Company or any of its Subsidiaries and shall remain undischarged, unvacated, unbonded or unstayed for a period of thirty (30) consecutive days, however, that such event shall not be deemed to constitute an Event of Default if the Company is entitled to insurance cover for the whole of such sum and the relevant insurers have confirmed liability and undertaken to make payment of the whole of such sum in writing to the person(s) entitled to payment and it is likely that the insurers will be able to make such payment within sixty (60) days;

Section 1.02 Acceleration. In the case of any Event of Default specified in clause (b) of Section 10.01 hereof, all outstanding Obligations under the Notes and this Agreement will become due and payable immediately without further declaration, action or notice on the part of the Holder or otherwise. If any Event of Default specified in clauses (a), or (c) through (f) of Section 10.01 hereof shall occur and is continuing, the Holder may declare all of the Notes and all other Obligations under the Notes and this Agreement to be immediately due and payable. In such event, the Notes and such other Obligations will become immediately due and payable.

Section 1.03 Other Remedies.

(a) Notwithstanding any other provision of this Agreement or any other Document, if any Event of Default occurs and is continuing, the Holder may pursue any available remedy to collect the payment of principal, premium, and interest on the Notes or to enforce the performance of any provision of the Notes or this Agreement.

(b) Any delay or omission by any Holder in exercising any right or remedy accruing upon any Event of Default shall not impair the rights or remedies available to such Holder or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by Law.

Section 1.04 Waiver of Past Defaults. The Holder may in its sole discretion waive any existing Default or Event of Default and its consequences hereunder, other than a continuing Default or Event of Default in the payment of the principal of, premium or interest on, the Notes; *provided*, *however*, that the Holders rescind an acceleration and its consequences, if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or the premium that has become due solely because of the acceleration) have been cured or waived. No such rescission shall affect any subsequent Default or Event of Default or impair any right consequent thereto. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Agreement; provided, that no such waiver shall extend to any other or subsequent Default hereunder or impair any rights of the Holder consequent thereon.

Section 1.05 Rights of Holder of Notes to Receive Payment. Notwithstanding any other provision of this Agreement, the right of the Holder of the Notes to receive payment of principal, premium and interest on the Notes, on or after the respective due dates expressed in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent the Holder.

Article XI.

Change of Control

Section 1.01 Mandatory Redemption or Conversion Upon Change of Control.

(a) If a Change of Control has occurred, within sixty (60) days of the date of the Change of Control (the "**Change of Control Date**"), the Company shall provide written notice (the "**Change of Control Notification**") of such fact to all Holders of the Notes. The Change of Control Notice shall (i) describe in reasonable detail the facts and circumstances of such Change of Control, (ii) refer to this Section 11.01 and the rights of the Holders hereunder and (iii) contain a request for an election (an "**Election**") by each Holder, which shall be returned to the Company within ten (10) Business Days of receipt of the Change of Control Notification by the Holder, that either:

(i) the Notes shall, within 20 days after the making of such Election, be redeemed in full at an amount equal to one hundred and one percent (101%) of the principal amount of such Notes at par, together with interest accrued thereon to the redemption date; or

(ii) the aggregate principal amount of the Notes then outstanding, together with interest accrued thereon, shall be mandatorily converted, five (5) Business Days after making such election, in full into Common Shares of the Company at the Conversion Rate then in effect.

(b) A Change of Control Notification may be delivered by the Company in advance of the occurrence of an anticipated Change of Control and may be conditioned upon the occurrence of a Change of Control if a definitive agreement is in place for the anticipated Change of Control at the time the Change of Control Notification is delivered.

(c) A Change of Control Notification shall include:

(i) a description in reasonable detail of the facts and circumstances causing (or expected to cause) the Change of Control;

(ii) the date of the Change of Control;

(iii) the expected date of the Change of Control Date (if delivered in advance of the occurrence of an anticipated Change of Control);

(iv) if applicable, the Conversion Rate and any adjustments thereto; and

(v) if applicable, a description of the procedures that Holders must follow in order to require the Company to redeem their Notes in accordance with Section 11.01(a)(i) hereof, including the total redemption price per $1,000 principal amount of Notes.

(d) In the event that the Holder elects to convert its Notes as a result of a Change of Control pursuant to Section 11.01(a)(ii) hereof, the Holder must convert its Notes in accordance with the procedures in Section 6.02 of this Agreement.

(e) [Reserved.]

Article XII.

[RESERVED.]

Article XIII.

Transfer Restrictions

Section 1.01 Transfer Restrictions on the Notes. The Purchaser shall not, without the Company's prior written consent (which consent shall not be unreasonably withheld), directly or indirectly, sell, offer, transfer, assign, mortgage, hypothecate, gift, pledge or dispose of, enter into or agree to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, pledge, mortgage, hypothecation, gift, assignment or similar disposition of any of the Notes (any of the foregoing, a "**Transfer**"), other than (i) any Transfer to an affiliate of the Purchaser that executes and delivers to the Company a joinder (in the form set out in Exhibit C of this Agreement) becoming party to this Agreement and the Intercreditor Agreement and a duly completed and executed IRS Form W-9, or appropriate Form W-8 or (ii) to the Company or any of its subsidiaries. Any attempted transfer of Notes not permitted by this

Section 13.01 or the Intercreditor Agreement shall be null and void and the Company shall not in any way give effect to such nonpermissible transfer. Any transfer of Notes pursuant to this Section 13.01 shall remain subject to the transfer restrictions of this Agreement and each transferee pursuant to this Section 13.01 shall execute and deliver to the Company a counterpart of this Agreement, which shall evidence such transferee's agreement that the Notes intended to be transferred shall continue to be subject to this Agreement and that as to such Notes the transferee shall be bound by the restrictions of this Agreement as a Holder hereunder.

Section 1.02 Restricted Shares.

(i) Every Common Share that bears, or that is required under this Section 13.01 to bear, the below legend (the "**Restricted Share Legend**"), will be deemed to be a "**Restricted Share**". Each Restricted Share will be subject to the restrictions on transfer set forth in the Restricted Share Legend unless such restrictions on transfer are eliminated or waived by written consent of the Company, and each holder of Restricted Shares, by such holder's acceptance of such Restricted Shares, will be deemed to be bound by such restrictions on transfer.

(ii) Any Common Share issued upon the conversion of a Note will be issued in book entry form, subject to the Restricted Share Legend below until such time as the Common Share is (A) sold pursuant to an effective registration statement under the Securities Act and a current prospectus naming as a selling shareholder the person to whom such share is issued or (B) sold pursuant to an exemption from registration rights under the Securities Act provided by Rule 144 thereunder (if available) or other such exemption. Restricted Shares shall bear the following Restricted Share Legend:

(iii) "THE OFFER AND SALE OF THE COMMON SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED, HEDGED OR OTHERWISE TRANSFERRED, EXCEPT (1) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND A CURRENT PROSPECTUS, (2) IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT, OR (3) PURSUANT TO ANOTHER APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

(iv) THE COMMON SHARES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION RIGHTS UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (3) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D

UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS."

Section 1.03 Registration Rights. The Purchaser will be entitled to the benefits of a registration rights agreement, to be dated the date hereof, with respect to the Common Shares issuable upon conversion of the Notes in the form attached as Exhibit D hereto.

Article XIV.

Miscellaneous

Section 1.01 Notices. All notices and other communications provided for or permitted hereunder shall be made by hand delivery, first class mail, telecopier, fax or overnight air courier guaranteeing next day delivery:

(a) if to the Purchaser or Holder, to the address set forth on its signature page hereto, with a copy (not constituting notice) to Cadwalader, Wickersham & Taft LLP, 200 Liberty Street, New York, NY 10281, Attention: Gregory M. Petrick, Esq., Tel.: 212-504-6373, Email: gregory.petrick@cwt.com;

(b) if to the Company, to it at Par-la-Ville Place, 4th Floor 14 Par-la-Ville Road Hamilton HM 08 Bermuda, Attention: Sandra Redding; Sarah French; with a copy to (not constituting notice) Seadrill Management Ltd. (Corporate Headquarters) 2nd Floor, Building 11, Chiswick Business Park, 566 Chiswick High Road, London W4 5YS, United Kingdom, Fax: Email: Sandra.redding@seadrill.com; sarah.french@seadrill.com, Attention: Sandra Redding; Sarah French, and with a copy (not constituting notice) to Kirkland & Ellis LLP, 609 Main St. #4700 Houston, TX 77002 Tel.: 713-836-3600, Fax: 713-836-3601, Email: julian.seiguer@kirkland.com, Attention: Julian J. Seiguer, P.C.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back if telexed; when receipt acknowledged, if telecopied or faxed; and the next business day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. The parties may change the addresses to which notices are to be given by giving five (5) days' prior notice of such change in accordance herewith.

Section 1.02 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties; provided, that neither party may assign its rights or obligations hereunder without the prior written consent of the other party.

Section 1.03 Amendment and Waiver. Prior to the Closing Date, the Documents may be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may be given; provided, that the same are in writing and signed by Purchaser and the Company. Thereafter, except as heretofore expressly provided otherwise, this

Agreement may be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may be given; provided, that the same are in writing and signed by the Company, as required and the Holder. Notwithstanding the foregoing, no amendment, modification, supplement, waiver or consent shall be entered into or effective in any respect unless it is expressly permitted by the Intercreditor Agreement.

Section 1.04 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signatures sent by facsimile or as an electronic copy (including in pdf. format) shall constitute originals.

Section 1.05 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 1.06 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND NEW YORK CIVIL PRACTICE LAWS AND RULES 327(b)) BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 1.07 Entire Agreement. The Documents and the Notes are intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. The Documents and the Notes supersede all prior agreements and understandings between the parties with respect to such subject matter. Nothing in any of the Documents or the Notes shall confer upon any other Person other than the parties hereto any right, remedy or claim under this Agreement.

Section 1.08 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected, it being intended that all of Purchaser's rights and privileges shall be enforceable to the fullest extent permitted by law.

Section 1.09 Submission to Jurisdiction; Waiver of Service and Venue. Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the U.S. District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, the Notes or any other document, instrument or agreement executed or delivered in connection herewith or therewith, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action

or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement, the Notes or any other document, instrument or agreement executed or delivered in connection herewith or therewith shall affect any right that any of the parties hereto may otherwise have to bring any action or proceeding relating to this Agreement, the Notes or any other document, instrument or agreement executed or delivered in connection herewith or therewith against the Company or any of its Subsidiaries or any of its properties and the property of such Subsidiaries in the courts of any jurisdiction.

(a) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement, the Notes or any other document, instrument or agreement executed or delivered in connection herewith or therewith in any court referred to in Section 14.09(a). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(b) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 14.01. Nothing in this Agreement, the Notes or any other document, instrument or agreement executed or delivered in connection herewith or therewith will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 1.10 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THEREWITH WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHER THEORY. EACH PARTY HERETO (1) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (2) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 1.11 Disputes. If Purchaser in good faith disputes any Fair Market Value determination made by the Company hereunder and, accordingly, Purchaser wishes to dispute the Company's calculation of the Conversion Rate or Market Price as of any Business Day (each such instance, a "**Dispute**"), then for so long as such Dispute is continuing, upon the request of Purchaser, the Company and Purchaser will meet and confer in good faith in an attempt to resolve such Dispute; provided, that if such Dispute cannot be resolved, the parties reserve all rights to seek relief from the Bankruptcy Court (such process, the "**Dispute Mechanism**").

Section 1.12 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

Section 1.13 Effectiveness. This Agreement shall become effective when it shall have been executed by the Company and the Purchaser and thereafter shall be binding upon and inure to the benefit of the Company and Purchaser and their respective permitted successors and assigns, subject to Section 14.02 hereof.

Section 1.14 Attachments. The exhibits, schedules and annexes attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section 1.15 Confidentiality.

(a) For purposes of this Section 14.15, "**Information**" means all information received from the Company or any Subsidiary thereof relating to the Company or any Subsidiary thereof or its business, other than any such information that is available to Purchaser or Holder on a non-confidential basis prior to disclosure by the Company or any Subsidiary thereof; it being understood that all information received from the Company or any Subsidiary after the date hereof shall be deemed confidential unless such information is clearly identified at the time of delivery as not being confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 14.15 shall be considered to have complied with its obligation to do so in accordance with its customary procedures if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) Each of the Purchaser and the Holder acknowledges that (a) the Information may include material non-public information concerning the Company or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

SEADRILL 2021 LIMITED, as
Company

By: /s/ Martyn Svensen
Name: Martyn Svensen
Title: Sole Director

HEMEN HOLDING LIMITED, as purchaser

By: /s/ Spyros Episkopou
Name: Dr. Spyros Episkopou
Title: Director

EXHIBIT A

[FORM OF NOTE]

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION OF THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (A)(I) A REGISTRATION STATEMENT COVERING SUCH SECURITIES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN SECURITIES LAW AND, IF THE ISSUER REQUESTS, AN OPINION SATISFACTORY TO THE ISSUER TO SUCH EFFECT HAS BEEN RENDERED BY COUNSEL AND (B) SUCH OFFER, SALE, PLEDGE, HYPOTHECATION OR OTHER TRANSFER OR ASSIGNMENT IS MADE IN COMPLIANCE WITH THE TRANSFER RESTRICTIONS CONTAINED IN ARTICLE XIII HEREIN.

[FORM OF FACE OF NOTE]

Seadrill 2021 Limited

Senior Convertible Notes due 2028

No. A-1 $50,000,000

Seadrill 2021 Limited (to be renamed Seadrill Limited), an exempted company incorporated under the Laws of Bermuda with registration no. 202100496 (the "***Company***," which term includes any successor under the Note Purchase Agreement hereinafter referred to), for value received, promises to pay to Hemen Holding Limited, or its registered assigns, the principal sum of FIFTY MILLION DOLLARS ($50,000,000), on August 22, 2028 (the "***Maturity Date***"):

Interest Rate: LIBOR Rate *plus* 6.0% per annum.

Interest Payment Dates: March 15, June 15, September 15 and December 15.

Regular Record Dates: March 1, June 1, September 1 and December 1.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which will for all purposes have the same effect as if set forth at this place. All capitalized terms used but not otherwise defined in this Note will have the same meanings in this Note as in the Note Purchase Agreement to which this Form of Note is appended.

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officers.

Seadrill 2021 Limited

By _____
Name:
Title:

[FORM OF REVERSE SIDE OF NOTE]

Seadrill 2021 Limited

Senior Convertible Notes due 2028

1. ***Interest***.

The Company promises to pay interest on the principal amount of this Note on each interest payment date as set forth on the face of this Note, at the LIBOR Rate *plus* 6.00% per annum (subject to adjustment as provided below).

Interest will be payable quarterly (to the Holders of record of the Notes at the close of business on the March 1, June 1, September 1 and December 1 immediately preceding the interest payment date) on the interest payment date, commencing February 22, 2022.

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note (or, if there is no existing default in the payment of interest and if this Note is authenticated between a regular record date and the next interest payment date, from such interest payment date) or, if no interest has been paid, from the date of issuance. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

On each Interest Payment Date (other than the Maturity Date), the Company shall pay the full amount of interest for such interest period on the unpaid principal balance hereof. On the Maturity Date, all principal and interest on this Note shall be repaid.

At any time when an Event of Default specified in Section 3.03 of the Note Purchase Agreement (as defined below) has occurred and is continuing, all amounts outstanding under this Note shall bear interest as states in Section 3.03 of the Note Purchase Agreement, with such additional amounts required to be paid in cash on each Interest Payment Date.

2. ***Note Purchase Agreement***.

This is one of the Notes issued under a Note Purchase Agreement dated as of February 22, 2022 (as amended from time to time, the "***Note Purchase Agreement***"), between the Company and Hemen Holdings Ltd. Capitalized terms used herein are used as defined in the Note Purchase Agreement unless otherwise indicated. The terms of the Notes include those stated in the Note Purchase Agreement. The Notes are subject to all such terms, and Holders are referred to the Note Purchase Agreement for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Note Purchase Agreement, the terms of the Note Purchase Agreement will control. The Notes are senior unsecured obligations of the Company.

3. ***No Redemption; Offer to Purchase***.

This Note is not subject to optional redemption. There is no sinking fund or mandatory redemption applicable to this Note, other than those stated in Article XI of the Note Purchase Agreement..

4. ***Conversion***.

Subject to and upon compliance with the provisions of Article VI of the Note Purchase Agreement, Holder shall have the right, at such option, to convert in full and not in part, Holder's Notes, together with accrued and unpaid interest, at any time prior to the Maturity Date into that number of Common Shares calculated in accordance with the provisions of the Note Purchase Agreement.

5. ***Defaults and Remedies***

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing and has not been waived, the Holder may declare all the Notes to be due and payable. If an Event of Default described in clause (b) of Section 10.01(b) occurs and is continuing, the Notes will automatically become due and payable. Holders may not enforce the Note Purchase Agreement or the Notes except as provided in the Note Purchase Agreement.

6. ***Amendment and Waiver***.

The Note Purchase Agreement and the Notes may be amended, or default may be waived, with the consent of the Company and the Holder in writing. Notwithstanding the foregoing, no amendment or waiver shall be entered into or effective in any respect unless it is expressly permitted by the Intercreditor Agreement.

7. ***Voting Rights***.

The Holder of this Note does not have the right to vote with holders of the Common Shares of the Company.

8. ***Governing Law***.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

EXHIBIT B

[FORM OF NOTICE OF CONVERSION]

To: Seadrill 2021 Limited
Par-la-Ville Place, 4th Floor 14 Par-la-Ville Road Hamilton HM 08 Bermuda,
Attention: Sandra Redding; Sarah French; Email: sandra.redding@seadrill.com; sarah.french@seadrill.com

The undersigned Holder of Senior Convertible Notes due 2028 ("Notes") issued pursuant to that Note Purchase Agreement dated as of February 22, 2022, among Seadrill 2021 Limited, an exempted company incorporated under the Laws of Bermuda with registration no. 202100496 (the "Company") and Hemen Holding Limited (the "Note Purchase Agreement"), hereby exercises the option to convert the entire principal amount of the Notes into Common Shares of the Company in accordance with the terms of the Note Purchase Agreement, and directs that any Common Shares issuable and deliverable upon such conversion be issued and delivered to the Holder. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Note Purchased Agreement.

Dated: _____

Signature:_____

EXHIBIT C

[FORM OF JOINDER]

The undersigned hereby joins in the execution of that certain Note Purchase Agreement, dated as of February 22, 2022 (the "Note Purchase Agreement"), by and among Seadrill 2021 Limited, an exempted company incorporated under the Laws of Bermuda with registration no. 202100496 and Hemen Holding Limited By executing this joinder, the undersigned hereby agrees that it is a Holder thereunder with the same force and effect as if originally named therein as a Holder. The undersigned agrees to be bound by all of the terms and provisions of the Note Purchase Agreement. Each reference to a Holder in the Note Purchase Agreement shall be deemed to include the undersigned.

The undersigned has executed this joinder this day of ,20 .

[NAME OF HOLDER]

By:_____
Name:
Title:
Address:

EXHIBIT D

FORM OF REGISTRATION RIGHTS AGREEMENT

Exhibit 8.1

SIGNIFICANT SUBSIDIARIES

The table below lists the Company's significant subsidiaries as of December 31, 2021:

Name of company	Country of Incorporation	Principal activities
Drilling unit owning companies		
Asia Offshore Rig 1 Ltd	Bermuda	Owner of AOD 1
Asia Offshore Rig 2 Ltd	Bermuda	Owner of AOD 2
Asia Offshore Rig 3 Ltd	Bermuda	Owner of AOD 3
Sevan Brasil Ltd	Bermuda	Owner of Sevan Brasil
Sevan Driller Ltd	Bermuda	Owner of Sevan Driller
Sevan Louisiana Hungary KFT	Hungary	Owner of Sevan Louisiana
Seadrill Ariel Ltd.	Liberia	Owner of West Ariel
Seadrill Callisto Ltd	Bermuda	Owner of West Callisto
Seadrill Carina Ltd	Bermuda	Owner of West Carina
Seadrill Castor Pte Ltd	Bermuda	Owner of West Castor
Seadrill Cressida Ltd	Bermuda	Owner of West Cressida
Seadrill Eclipse Ltd	Bermuda	Owner of West Eclipse
Seadrill Elara Ltd	Bermuda	Owner of West Elara
Seadrill Gemini Ltd	Bermuda	Owner of West Gemini
Seadrill Jupiter Ltd.	Bermuda	Owner of West Jupiter
Seadrill Indonesia Ltd	Bermuda	Owner of West Leda
Seadrill Neptune Hungary KFT	Bermuda	Owner of West Neptune
North Atlantic Phoenix Ltd	Bermuda	Owner of West Phoenix
Seadrill Prospero Ltd	Bermuda	Owner of the West Prospero
Seadrill Saturn Ltd	Bermuda	Owner of West Saturn
Seadrill Telesto Ltd	Bermuda	Owner of West Telesto
Seadrill Tellus Ltd	Bermuda	Owner of West Tellus
Seadrill Tucana Ltd	Bermuda	Owner of West Tucana
Contracting and management companies		
Eastern Drilling AS	Norway	Onshore Services
Seadrill UK Operations Ltd	United Kingdom	Rig Operator
Seadrill Management Ltd	United Kingdom	Onshore Services
Seadrill Insurance Ltd	Bermuda	Onshore services
Seadrill Angola Lda	Angola	Onshore Services
Seadrill Gulf Operations Neptune LLC	USA	Rig Operator
Seadrill Treasury UK Ltd	United Kingdom	Onshore Finance
Seadrill International Resourcing DMCC	UAE	Onshore Services
Seadrill Global Services Ltd	Bermuda	Onshore Services
Seadrill Management (S) Pte Ltd	Singapore	Onshore Services
Seadrill Nigeria Operations Ltd	Nigeria	Onshore Services
Seadrill Deepwater Units Pte Ltd	Singapore	Onshore Services
Seadrill Americas INC	USA	Onshore Services
Seadrill Serviços de Petróleo Ltda	Brasil	Rig Operator
Seadrill Operations de Mexico S. de R.L. de C.V	Mexico	Onshore Services
Seadrill Offshore Malaysia Sdn Bhd	Malaysia	Rig Operator
Seadrill Labuan Ltd	Labuan	Intra-charterer
Seadrill Newfoundland Operations Ltd	Canada	Onshore Services
Seadrill UK Support Services Ltd	United Kingdom	Onshore Services
Seadrill Norway Crew AS	Norway	Onshore Services

Seadrill North Sea Crewing Ltd	Bermuda	Onshore Services
Seadrill Europe Management AS	Norway	Onshore Services
Sevan Drilling North America LLC	USA	Rig Operator
Seadrill Jack-ups Contracting Ltd	Suriname	Rig Operator
Holding Companies		
Seadrill North Atlantic Holdings Ltd	Bermuda	Holding Company
Seadrill Common Holdings Ltd	Bermuda	Holding Company
Seadrill Deepwater Holdings Ltd	Bermuda	Holding Company
Seadrill Jack Up Holding Ltd	Bermuda	Holding Company
Seadrill Investment Holding Company Ltd	Bermuda	Holding Company
Seadrill Norway Operations Ltd	Bermuda	Holding Company
Seadrill Rig Holding Company Ltd	Bermuda	Holding Company
Seadrill Ltd	Bermuda	Holding Company
Seadrill UK Ltd	United Kingdom	Holding Company
Seadrill Sevan Holdings Ltd	Bermuda	Holding Company
Seadrill Seabras SP UK Ltd	United Kingdom	Holding Company
Seadrill Holdings Singapore Pte Ltd	Singapore	Holding Company
Asia Offshore Drilling Ltd	Bermuda	Holding Company
Scorpion Deepwater Ltd	Bermuda	Holding Company
Scorpion International Ltd	Bermuda	Holding Company
Seadrill GCC Operations Ltd	Bermuda	Holding Company
Scorpion Drilling Ltd	Bermuda	Holding Company
Seadrill Far East Ltd	Hong Kong	Holding Company
Sevan Investimentos do Brasil Ltda	Brasil	Holding Company
Sevan Drilling Rig IX Pte Ltd	Singapore	Holding Company
Sevan Drilling Rig VI AS	Norway	Holding Company
Seabras Serviços de Petróleo S.A.	Brasil	Holding Company
Seabras Holdings GmbH	Austria	Holding Company
Seabras Rig Holdings GmbH	Austria	Holding Company

Exhibit 12.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

I, Simon Johnson, certify that:

1. I have reviewed this annual report on Form 20-F of Seadrill Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 29, 2022

/s/ Simon Johnson

Simon Johnson

Principal Executive Officer of Seadrill Limited

Exhibit 12.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Grant Creed, certify that:

1. I have reviewed this annual report on Form 20-F of Seadrill Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 29, 2022

/s/ Grant Creed

Grant Creed

Principal Financial Officer of Seadrill Limited

Exhibit 13.1

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Annual Report of Seadrill Limited (the "**Company**") on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission (the "**SEC**") on or about the date hereof (the "**Report**"), I, Simon Johnson, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: April 29, 2022

/s/ Simon Johnson

Simon Johnson

Principal Executive Officer of Seadrill Limited

Exhibit 13.2

PRINCIPAL FINANCIAL OFFICER CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Annual Report of Seadrill Limited (the "**Company**") on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission (the "**SEC**") on or about the date hereof (the "**Report**"), I, Grant Creed, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: April 29, 2022

/s/ Grant Creed

Grant Creed

Principal Financial Officer of Seadrill Limited

CORPORATE GOVERNANCE COMPLIANCE FOR SEADRILL LIMITED

1 INTRODUCTION

Seadrill Limited is a Bermuda exempted company limited by shares, which was listed on Euronext Expand Oslo ("**Euronext Expand**"), being part of the Oslo Stock Exchange's market places, on 28 April 2022.

Seadrill Limited (hereinafter "**Seadrill**" or the "**Company**") and its activities are primarily governed by the Companies Act 1981 of Bermuda (the "**Bermuda Companies Act**"), its Memorandum of Association, and its Bye-laws (the "**Bye-laws**"). Certain aspects of the Company's activities will, from the date of its application for listing on Euronext Expand, be governed by Norwegian law pursuant to the Listing Agreement between Euronext Expand and the Company. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will generally apply to Seadrill, as a foreign company with its primary listing on Euronext Expand.

This corporate governance compliance document sets out Seadrill's compliance with the Norwegian Code of Practice for Corporate Governance – last amended 14 October 2021, prepared by the Norwegian Corporate Governance Board (the "**Code**").

2 IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

1.1 Recommendation under the Code

The recommendation pursuant to section 1 of the Code is as follows:

> *The board of directors must ensure that the company implements sound corporate governance.*
>
> *The board of directors must provide a report on the company's corporate governance in the directors' report or in a document that is referred to in the directors' report. The report on the company's corporate governance must cover every section of the Code.*
>
> *If the company does not fully comply with the Code, the company must provide an explanation of the reason for the deviation and what solution it has selected.*

1.2 The Company's compliance

The Board of Directors (the "**Board**") is of the opinion that the interests of the Company, and its shareholders taken as a whole, are best served by the adoption of business policies and practices which are legal, compliant, ethical and open in relation to all dealings with customers, potential customers and other third parties. These policies are fair and in accordance with best market practice in relationships with employees and are also sensitive to reasonable expectations of public interest.

The Board therefore commits the Company to good corporate governance, and has adopted the most current version of the Code, effective from, and conditioned on, the listing of Seadrill's shares on Euronext Expand.

This review (the "**Review**") sets out, and addresses, each individual section of the Code and provides an explanation and description of the chosen alternative approach if the Company does not fully comply with the Code.

The Company does not deviate from section 1 of the code.

3 BUSINESS

1.1 Recommendation under the Code

The recommendation pursuant to section 2 of the Code is as follows:

> *The company's articles of association should clearly describe the business that the company shall operate.*
>
> *The board of directors should define clear objectives, strategies and risk profiles for the company's business activities such that the company creates value for shareholders.*
>
> *The company should have guidelines for how it integrates considerations related to its stakeholders into its value creation.*
>
> *The board of directors should evaluate these objectives, strategies and risk profiles at least yearly.*

1.2 The Company's compliance

The objects of the Company's business are unrestricted, and the Company has the capacity of a natural person. This means that the Company can carry out any trade or business which, in the Board's opinion, can be advantageously carried out by the Company. Moreover, this means that the Company's objectives are not specified. The Company can therefore undertake activities without restriction on its capacity. This is a deviation from section 2 of the Code.

The Board is responsible for and shall take the lead on the Company's strategic planning, and should define clear objectives, strategies and risk profile for the Company's business activities such that the company creates value for the shareholders. The Company's objectives, main strategies and risk profile shall be evaluated annually and described in the annual report or, if not described in the annual report, communicated to stakeholders in a separate annual compliance report.

The Company has implemented corporate values, ethical guidelines, guidelines for corporate social responsibility and for how it integrates considerations related to its stakeholders into its value creation. These values and guidelines are described in Seadrill's Code of Conduct and internal policies.

Other than as mentioned above, the Company does not deviate from section 2 of the Code.

4 EQUITY AND DIVIDENDS

1.1 Recommendation under the Code

The recommendation pursuant to section 3 of the Code is as follows:

> *The board of directors should ensure that the company has a capital structure that is appropriate to the company's objective, strategy and risk profile.*
>
> *The board of directors should establish and disclose a clear and predictable dividend policy.*
>
> *The background to any proposal for the board of directors to be given a mandate to approve the distribution of dividends should be explained.*
>
> *Mandates granted to the board of directors to increase the company's share capital or to purchase own shares should be intended for a defined purpose. Such mandates should be limited in time to no later than the date of the next annual general meeting.*

1.2 The Company's compliance

Dividends

The Board shall continuously evaluate the Company's capital requirements to ensure that the Company's capital structure is at a level which is suitable considering the Company's objectives, strategy and risk profile. The declaration and payment of any future dividends to the holders of the Company's common shares will depend upon decisions that will be at the sole discretion of the Board and will depend on the Bye-laws, the then existing conditions, including the Group's operating results, financial condition, contractual restrictions, corporate law restrictions, capital requirements, the applicable laws of Bermuda and business prospects. As the Company is a holding company with no material assets other than the shares of its subsidiaries through which it conducts its operations, its ability to pay dividends will also depend on the subsidiaries distributing their respective earnings and cash flow to the Company.

Under Bermuda law, a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of its assets would thereby be less than its liabilities. Under the Bye-laws, the holders of the Company's common shares are entitled to such dividends as the Board may from time to time declare in accordance with the Bye-laws and Bermuda law.

The Company has not established a clear and predictable dividend policy, which constitutes a deviation from the Code.

Equity

Pursuant to Bermuda law and the Bye-laws and, subject to any resolution of the shareholders to the contrary, the Board is authorized to issue any of the Company's authorized but unissued shares on such terms and conditions as it may determine, and the Company may purchase the Company's own shares either for cancellation or to hold as treasury shares in accordance with Bermuda law on such terms as the Board thinks fit. The powers of the Board to issue and purchase shares are neither limited to specific purposes nor to a specified period as recommended in the Code. This represents a deviation from section 3 of the Code.

Other than as mentioned above, the Company does not deviate from section 3 of the Code.

5 EQUAL TREATMENT OF SHAREHOLDERS

1.1 Recommendation under the Code

The recommendation pursuant to section 4 of the Code is as follows:

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital should be justified. Where the board of directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Any transactions the company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the company's shares, the company should consider other ways to ensure equal treatment of all shareholders.

1.2 The Company's compliance

The Company has one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, including right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

As is common practice for Bermuda limited companies listed on the Oslo Stock Exchange, no shares in the Company carry pre-emption rights. This constitute a deviation from section 4 of the Code.

Any transactions the Company carries out in its own shares shall be carried out either through the facilities of the Euronext Expand platform (or, in case of an up-listing, the Oslo Stock Exchange platform) or with reference to prevailing stock exchange pries if carried out in any other way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

Other than as mentioned above, the Company does not deviate from section 4 of the Code.

6 SHARES AND NEGOTIABILITY

1.1 Recommendation under the Code

The recommendation pursuant to section 5 of the Code is as follows:

The company should not limit any party's ability to own, trade or vote for shares in the company. The company should provide an account of any restrictions on owning, trading or voting for shares in the company.

1.2 The Company's compliance

The Company's constitutional documents do not impose any restrictions on the ability to own, trade or vote for shares in the Company. Subject to Bermuda law and to any restrictions contained in the Bye-laws and to the provisions of any applicable United States securities law (including, without limitation, the U.S. Securities Act of 1933, as amended, and the rules promulgated thereunder), the shares in the Company are freely transferable.

Subject to the restrictions in the Bye-laws and to the Bermuda Companies Act and applicable United States laws (including, without limitation, the U.S. Securities Act and related regulations), a holder of shares in the Company may transfer the title to all or any of his shares by completing an instrument of transfer in the usual common form or in such other form as the Board may approve. The instrument of transfer must be signed by the transferor and, in the case of a share that is not fully paid, the transferee. The Board may also implement arrangements in relation to the evidencing of title to and the transfer of uncertified shares.

Notwithstanding anything else to the contrary in the Bye-laws, shares that are listed or admitted to trading on an Appointed Stock Exchange (as such is understood under the Bermuda Companies Act, which includes Euronext Expand and the Oslo Stock Exchange) may be transferred in accordance with the rules and regulations of such exchange. All transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of Euronext VPS or any other relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board in its discretion in accordance with the Bye-laws.

However, the Bye-laws provide that the Board may decline to register, and may require any registrar appointed by the Company to decline to register, a transfer of a share or any interest therein held through Euronext VPS if such transfer would be likely, in the opinion of the Board, to result in 50% or more of the issued share capital (or of the votes attaching all issued shares in the Company) being held or owned directly or indirectly by persons resident for tax purposes in Norway. A failure to notify the Company of such correction or change can lead to the shareholder's entitlement to vote,

exercise other rights attaching to the shares or interests therein being sold at the best price reasonably obtainable in all the circumstances. Furthermore, where individuals or legal persons resident for tax purposes in Norway hold 50% or more of the issued share capital, the Bye-laws require the Board to make an announcement through the Oslo Stock Exchange's information system "NewsWeb" (also used by companies with their listing on Euronext Expand), and the Board and the registrar appointed by the Company are then entitled to dispose of shares or interests therein to bring such holding by an individual or legal person resident for tax purposes in Norway below 50% - the shares or interests therein to be sold being firstly those held by holders who failed to comply with the above notification requirement, and thereafter those that were acquired most recently by the shareholders.

The Board may in its absolute discretion refuse to register the transfer of a share that is not fully paid. The Board may also refuse to recognize an instrument of transfer of a share unless (i) the instrument is duly stamped and lodged with the Company accompanied by the relevant share certificate (if one has been issued) and such other evidence of the transferor's right to make the transfer as the Board may reasonably require, (ii) the instrument of transfer is in respect of only one class of share and/or (iii) all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda (including the Bermuda Monetary Authority) with respect thereto have been obtained.

Pursuant to the Bye-laws, if the Board is of the opinion that a transfer may breach any law or requirement of any authority or any stock exchange or quotation system upon which any of the Company's common shares are listed (from time to time), then registration of the transfer shall be declined until the Board receives satisfactory evidence that no such breach would occur.

Under the Bye-laws, every shareholder of the Company shall be entitled to a share certificate. However, unless otherwise determined by the Board and as permitted by the Bermuda Companies Act and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

Other than as mentioned above, the Company does not deviate from Section 5 of the Code.

7 GENERAL MEETINGS

1.1 Recommendation under the Code

The recommendation pursuant to section 6 of the Code is as follows:

The board of directors should ensure that the company's shareholders can participate in the general meeting.

The board of directors should ensure that:

- *the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting*
- *any deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as possible*
- *the members of the board of directors and the chairman of the nomination committee attend the general meeting*
- *the general meeting is able to elect an independent chairman for the general meeting*

Shareholders should be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting should be given the opportunity to vote. The company should design the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

1.2 The Company's compliance

The annual general meeting of the Company shall be held once in every year at such a time and place as the Board appoints but in no event shall any such annual general meeting be held in Norway or the United Kingdom. However, under the Bye-laws, the first annual general meeting of the Company after the date of adoption of the Bye-laws is to be held by 22 March 2023. This constitutes a deviation from the Code for the year 2022.

Pursuant to Bermuda law and the Bye-laws, the Board may call for a special general meeting whenever it thinks fit, and the Board must call for a special general meeting upon the request of shareholders holding not less than 10% of the paid-up capital of the Company carrying the right to vote at general meetings.

Under the Bye-laws, at least ten (10) days' notice of an annual general meeting must be given to each shareholder entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held. At least ten (10) days' notice of a special general meeting must be given to each shareholder entitled to attend and vote thereat, stating the date, place and time and the general nature of the business to be considered at the meeting. No business shall be conducted at any annual general meeting or any a special general meeting except for the business set forth in the notice of such meeting provided to each shareholder of the Company.

Pursuant to the Bye-laws, the quorum required for a general meeting of shareholders is two or more persons present throughout the meeting representing in person or by proxy any issued and outstanding voting shares of the Company.

The Bye-laws provide that, unless otherwise agreed by majority of those attending and entitled to vote at a general meeting, the general meeting shall be chaired by the chair of the Company if present, and if not the Chief Executive Officer of the Company, if present. In their absence a chair of the meeting shall be appointed or elected by those present at the meeting and entitled to vote. This represents a deviation from the Code, which requires election of an independent chair for the general meeting. The Company does not require that any board members participates at the general meeting which is a deviation from the Code. As set out in item 8 below, the Company does not have a nomination committee.

Shareholders who cannot be present at the general meeting must be given the opportunity to vote by proxy or to participate by using electronic means. The Company shall in this respect:

- provide information on the procedure for attending by proxy, including the date in which the completed proxy form must be received by the Company;
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- prepare a proxy form, which shall, insofar as this is possible, be formulated in such a manner that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election.

The minutes of the annual general meeting will be published on the Company's website no later than 15 days after the date of the meeting.

Other than as mentioned above, the Company does not deviate from Section 6 of the Code.

8 NOMINATION COMMITTEE

1.1 Recommendation under the Code

The recommendation pursuant to section 7 of the Code is as follows:

The company should have a nomination committee, and the nomination committee should be laid down in the company's articles of association. The general meeting should stipulate guidelines for the duties of the nomination committee, elect the chairperson and members of the nomination committee, and determine the committee's remuneration.

The nomination committee should have contact with shareholders, the board of directors and the company's executive personnel as part of its work on proposing candidates for election to the board.

The members of the nomination committee should be selected to take into account the interests of shareholders in general. The majority of the committee should be independent of the board of directors and the executive personnel. The nomination committee should not include any executive personnel or any member of the company's board of directors.

The nomination committee's duties should be to propose candidates for election to the board of directors and nomination committee (and corporate assembly where appropriate) and to propose the fees to be paid to members of these bodies.

The nomination committee should justify why it is proposing each candidate separately. The company should provide information on the membership of the committee and any deadlines for proposing candidates.

1.2 The Company's compliance

The Company does not have a committee for nominating directors that does not include any members of the Board. This represents a deviation from section 7 of the Code.

The Board has, however, established a joint nomination and remuneration committee among the members of the Board. The committee is a sub-committee of the Board, and its composition is thus not independent from the Board. The joint nomination and remuneration committee is responsible for *inter alia* (i) nominating candidates for the election of directors and (ii) providing recommendations for the Board's and executive management's compensation and benefits. In terms of nominations to the Board, the joint nomination and remuneration committee will seek to consult with key shareholders and carry out a careful review of suitable candidates. Pursuant to the Bye-laws, any shareholder holding at least 10% of the issued and outstanding voting shares of the Company may also propose to nominate any person for election as a director. Any such nominee proposal put forth shall be put before the shareholders of the Company for consideration and, if deemed appropriate, for election at the respective general meeting provided that (a) the discretion of the Directors, to be

exercised in compliance with their fiduciary duties from time to time, in relation to whether or not support or recommend such nominee proposal to the shareholders of the Company at such general meeting shall not be in any way fettered, restricted or otherwise prejudiced; and (b) such nominee proposal complies with the Bye-laws.

Other than as mentioned above, the Company does not deviate from Section 7 of the Code.

9 BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

1.1 Recommendation under the Code

The recommendation pursuant to section 8 of the Code is as follows:

The composition of the board of directors should ensure that the board can attend to the common interests of all shareholders and meets the company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the board can function effectively as a collegiate body.

The composition of the board of directors should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the board should be independent of the company's executive personnel and material business contacts. At least two of the members of the board elected by shareholders should be independent of the company's main shareholder(s).

The board of directors should not include executive personnel. If the board does include executive personnel, the company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the board, including the use of board committees to help ensure more independent preparation of matters for discussion by the board, cf. Section 9 of the Code of Practice.

The general meeting (or the corporate assembly where appropriate) should elect the chairman of the board of directors.

The term of office for members of the board of directors should not be longer than two years at a time.

The annual report should provide information to illustrate the expertise of the members of the board of directors, and information on their record of attendance at board meetings. In addition, the annual report should identify which members are considered to be independent.

Members of the board of directors should be encouraged to own shares in the company.

1.2 The Company's compliance

The Board composition is governed by the Company's Bye-laws, which states that the Board shall at the date of adoption of the Bye-laws consist of seven (7) directors . From the time of the first annual general meeting of the Company, the Board shall consist of such number of directors as the shareholders may determine in general meeting from time to time, based on the non-binding recommendation of the joint nomination and remuneration committee.

The joint nomination and remuneration committee will strive to propose directors which will contribute to a board composition which overall ensures that the Board can attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity, while considering the Board's ability to function effectively as a collegiate body. The chair of the Board is to be appointed by the Board, which constitute a deviation from section 8 of the Code.

Under the Bye-laws, any and all directors shall at all times be independent.[1] The majority of the directors shall not be any of the following: (i) citizens of the United States, (ii) residents of the United States or (iii) residents of the United Kingdom.

The Board does not include the Company's chief executive officer or any other executive personnel.

The term of office of the initial directors (i.e. the seven appointed until the first annual general meeting of the Company) shall expire at the first annual general meeting of the Company in accordance with the Bye-laws. Thereafter, a director shall hold office until the next annual general meeting or until their office is otherwise vacated in accordance with the Bye-laws. A director who is re-elected is treated as continuing in office throughout. A director who is not re-elected shall retain office until the end of the relevant annual general meeting.

There is no requirement under Bermuda law for the Board to be represented by both genders. The Board composition at the date of this Review comprises two female directors (of a total seven directors), which thus represent approximately 28% of the Board.

No director holds shares in the Company.

Other than as mentioned above, the Company does not deviate from section 8 of the Code.

10 THE WORK OF THE BOARD

1.1 Recommendation under the Code

The recommendation pursuant to section 9 of the Code is as follows:

[1] Independent in this context means that such director is (a) independent as defined by Rule 10A-3 promulgated by the Securities and Exchange Commission under the Exchange Act (or any successor rule thereto), with respect to members of the Audit and Risk Committee of the Company and (b) for all other purposes, independent as defined by the listing standards of each Relevant Exchange (if the Relevant Exchange is an Appointed Stock Exchange), and, in any case, by the listing standards of the New York Stock Exchange). Defined terms shall have the meaning ascribed to such terms in the Bye-Laws.

The board of directors should issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.

These instructions should state how the board of directors and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The board of directors should also present any such agreements in their annual directors' report.

The board of directors should ensure that members of the board of directors and executive personnel make the company aware of any material interests that they may have in items to be considered by the board of directors.

In order to ensure a more independent consideration of matters of a material character in which the chair of the board is, or has been, personally involved, the board's consideration of such matters should be chaired by some other member of the board.

The Public Companies Act stipulates that large companies must have an audit committee. The entire board of directors should not act as the company's audit committee. Smaller companies should give consideration to establishing an audit committee. In addition to the legal requirements on the composition of the audit committee etc., the majority of the members of the committee should be independent.

The board of directors should also consider appointing a remuneration committee in order to help ensure thorough and independent preparation of matters relating to compensation paid to the executive personnel. Membership of such a committee should be restricted to members of the board who are independent of the company's executive personnel.

The board of directors should provide details in the annual report of any board committees appointed.

The board of directors should evaluate its performance and expertise annually.

1.2 The Company's compliance

The Board is ultimately responsible for the management of the Company and for supervising its day-to-day management. The duties and tasks of the Board are detailed in the Bye-laws and the Bermuda Companies Act.

The Company has an annual plan of matters to be addressed by the Board and its committees during the course of the year. Other "ad hoc" matters arising during the year will be handled by the Board and/or its committees, as applicable, on an ongoing and as needed basis. The responsibilities of the executive management team are outlined by the Company's organisational chart and job descriptions for each executive.

The Board shall evaluate its own performance and expertise annually.

Directors and officers of the Company, executive management and other senior personnel shall notify the Board if they directly or indirectly have an interest in matters to be considered by the Board.

In order to conduct its work, the Board shall each year set up (in advance) a number of regular scheduled meetings of the Board for the calendar year, although additional meetings may be called. Directors may participate in any meeting of the Board by means of telephone or video conference. Minutes in respect of the meetings of the Board shall be kept at the Company's registered office in Bermuda. The Board shall provide details in the annual report of any Board committees appointed.

As of the date of this Report, Company has established the following Board-appointed committees:

- **Audit and risk committee:**

  The Board has established an audit and risk committee among its the members. The audit and risk committee is responsible for overseeing the quality and integrity of the Company's consolidated financial statements and its accounting, auditing and financial reporting practices; the Group's compliance with legal and regulatory requirements; the independent auditor's qualifications, independence and performance; the Group's whistleblowing channel and investigations and the Group's internal compliance function. In addition, the audit and risk committee shall monitor and make recommendations to the Board in relation to potential conflicts of interest between the Company and any of its affiliates or related third parties. The committee shall also evaluate any conflicts of interest between a director and the Company.

  As of the date of this Review, the audit and risk committee comprises Mark McCollum (chairman), Jan Kjærvik (committee member), Jean Cahuzac (committee member) and Karen Dyrskjot Boesen (committee member).

- **Joint nomination and remuneration committee**

  The Board has established a joint nomination and remuneration committee among its members, whereas the remuneration aspect of the joint committee is considered to be compliant with the recommendation to establish a remuneration committee pursuant to section 9 of the Code. The joint nomination and remuneration committee is responsible for (i) nominating candidates for the election of Directors, (ii) succession planning and (iii) providing recommendations for the board and executive management's compensation and benefits.

  As of the date of this Review, the joint nomination and remuneration committee comprises Julie Johnson Robertson (chairman), Andrew Schultz (committee member) and Paul Smith (committee member).

The Company does not deviate from section 9 of the Code.

11 RISK MANAGEMENT AND INTERNAL CONTROL

1.1 Recommendation under the Code

The recommendation pursuant to section 10 of the Code is as follows:

The board of directors must ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities.

The board of directors should carry out an annual review of the company's most important areas of exposure to risk and its internal control arrangements.

1.2 The Company's compliance

The Board is responsible for ensuring that the Company has sound internal control procedures and systems to manage its exposure to risks related to the conduct of the Company's business, to support the quality of its financial reporting and to ensure compliance with laws and regulations. Such procedures and systems shall contribute to securing shareholders' investment and the Company's assets.

Management and internal control are based on Company-wide policies and internal guidelines in areas such as Finance and Accounting, HSE, Ethics & Compliance, Project Management, Operation, Technical and Business Development, in addition to implementation and follow-up of a risk assessment process. The Company's management system is central to the Company's internal control and ensures that the Company's vision, policies, goals and procedures are known and adhered to.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Board, executive management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with authorizations of Company's executive management and directors; and
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Board's audit and risk committee is responsible for following up internal control in connection with quarterly reviews of the Group's financial reporting in addition to three meetings in which internal control issues are addressed specifically. The chief executive officer, the Company's other relevant senior staff and representatives of the external auditor, attend the meetings of the audit and risk committee.

The Board recognizes its responsibilities with regards to the Group's values and guidelines for ethics and corporate responsibilities. Core values have been determined to reflect the Group's focus on commitment, safety consciousness, creativity, competency and result orientation, and guidelines for the behaviour of Group representatives are described in detail in the Code of Conduct. The Board annually reviews the Group's most significant areas of exposure to risk and internal control arrangements.

The Company does not deviate from section 10 of the Code.

12 REMUNERATION OF THE BOARD

1.1 Recommendation under the Code

The recommendation pursuant to section 11 of the Code is as follows:

The remuneration of the board of directors should reflect the board's responsibility, expertise, time commitment and the complexity of the company's activities.

The remuneration of the board of directors should not be linked to the company's performance. The company should not grant share options to members of its board.

Members of the board of directors and/or companies with which they are associated should not take on specific assignments for the company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the board.

Any remuneration in addition to normal directors' fees should be specifically identified in the annual report.

1.2 The Company's compliance

The remuneration of the directors shall be determined by the shareholders in general meeting based on the recommendation of the joint nomination and remuneration committee (which shall not be binding).

The remuneration of the Board is determined by the shareholders in a general meeting (based on the non-binding recommendation of the joint nomination and remuneration committee). The remuneration of the Board and its individual directors shall reflect the Board's responsibility, competence, use of resources and the complexity of the business activities. The remuneration of the directors shall not be linked to the Company's performance and the directors do not receive profit related remuneration or share options or retirement benefits from the Company. Should any remuneration in addition to the normal directors' fees be paid by the Company, such will be identified in the annual report.

The directors may also be paid all reasonable and documented travel, hotel and other expenses properly incurred by them (or, in the case of a director that is a corporation, by their representative or representatives) in attending and returning from Board meetings, meetings of any committee appointed by the Board or general meetings, or in connection with the business of the Company or their duties as directors generally.

The members of the Board, or companies associated with members of the Board, shall not be engaged in specific assignments for the company in addition to their appointments as members of the Board, and if so, such appointments shall be set out in the Company's annual report. Further, any remuneration in addition to normal directors' fees will also be specifically identified in the annual report.

The Company does not deviate from section 11 of the Code.

13 REMUNERATION OF EXECUTIVE PERSONNEL

1.1 Recommendation under the Code

The recommendation pursuant to section 12 of the Code is as follows:

The guidelines on the salary and other remuneration for executive personnel must be clear and easily understandable, and they must contribute to the company's commercial strategy, long-term interests and financial viability.

The company's arrangements in respect of salary and other remuneration should help ensure the executive personnel and shareholders have convergent interests, and should be simple.

Performance-related remuneration should be subject to an absolute limit.

1.2 The Company's compliance

Remuneration of the executive personnel is reviewed annually. The work is carried out by the joint nomination and remuneration committee, which generally considers the executive personnel's performance and also gathers information from comparable companies before making its recommendation to the Board for approval. Such recommendation aims to ensure convergence of the financial interests of the executive personnel and the shareholders.

Any share option programs in the Company to be made available to the employees of the Company and its subsidiaries requires approval of the Board and shareholders pursuant to the Bye-laws. Taking into consideration the size of the Company and the fact that the members of the Board are independent of the executive managements, the Board has not deemed it necessary to establish an absolute limit for performance-related remuneration. This represents a deviation from the Code.

Other than as mentioned above, the Company does not deviate from section 12 of the Code.

14 INFORMATION AND COMMUNICATIONS

1.1 Recommendation under the Code

The recommendation pursuant to section 13 of the Code is as follows:

The board of directors should establish guidelines for the company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

The board of directors should establish guidelines for the company's contact with shareholders other than through general meetings.

1.2 The Company's compliance[2]

The Company has established guidelines for reporting to the market and is committed to provide timely and precise information to its shareholders, Euronext Expand and the financial markets in general (through the Oslo Stock Exchange's information system "NewsWeb"). Such information is given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange and investor presentations in accordance with what is deemed most suitable. Within these communications, the Company attempts to clarify its long-term potential, including strategies, value drivers and risk factors. The Company maintains an open and proactive policy for investor relations. Detailed investor relations information, including contact information, is available on the Company website.

The Company shall publish an annual, electronic financial calendar with an overview of the dates of important events such as the annual general meeting, publishing of interim reports, open presentations, and payment of dividends.

[2] Conyers Note to THO: Bye-law 66 sets out information rights that certain shareholders have access to. Is this relevant here?

Unless exceptions apply and are invoked, the Company discloses all inside information. In all circumstances, the Company will provide information about certain events, e.g. by the Board and general meeting(s) concerning dividends, amalgamations, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by the Company and related parties.

The Company has procedures for communication with shareholders to enable the Board to develop a balanced understanding of the circumstances and focus of the shareholders. Such communication is carried out in compliance with the provisions of applicable laws and regulations.

Information to the Company's shareholders is posted on the Company's website at the same time that it is sent to the shareholders. Shareholders can contact the Company using a dedicated investor relations e-mail address seadrill@hawthornadvisors.com.

The Company does not deviate from section 13 of the Code.

15 TAKE-OVERS

1.1 Recommendation under the Code

The recommendation pursuant to section 14 of the Code is as follows:

The board of directors should establish guiding principles for how it will act in the event of a take-over bid.

In a bid situation, the company's board of directors and management have an independent responsibility to help ensure that shareholders are treated equally, and that the company's business activities are not disrupted unnecessarily. The board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer.

The board of directors should not hinder or obstruct take-over bids for the company's activities or shares.

Any agreement with the bidder that acts to limit the company's ability to arrange other bids for the company's shares should only be entered into where it is self-evident that such an agreement is in the common interest of the company and its shareholders. This provision shall also apply to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation should be limited to the costs the bidder has incurred in making the bid.

Agreements entered into between the company and the bidder that are material to the market's evaluation of the bid should be publicly disclosed no later than at the same time as the announcement that the bid will be made is published.

In the event of a take-over bid for the company's shares, the company's board of directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a company's shares, the company's board of directors should issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The board's statement on the offer should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the board have excluded themselves from the board's statement. The board should arrange a valuation from an independent expert. The valuation should include an explanation, and should be made public no later than at the time of the public disclosure of the board's statement.

Any transaction that is in effect a disposal of the company's activities should be decided by a general meeting (or the corporate assembly where relevant).

1.2 The Company's compliance

The Bye-laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company.[3]

In the event of a take-over process, the Board shall ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer. In the event of a takeover process, the Board shall abide by the principles of the Code, and also ensure that the following take place:

- the Board shall ensure that the offer is made to all shareholders, and on the same terms;
- the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- the Board shall strive to be completely open about the take-over situation;
- the Board shall not institute measures which have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- the Board must be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded.

The Board shall not attempt to prevent or impede the take-over bid unless this has been decided by the shareholders in general meeting in accordance with applicable laws. The main underlying principles shall be that the Company's shares shall be kept freely transferable (subject to the Bermuda Companies Act and any restrictions contained in the Bye-laws and to the provisions of any applicable United States Securities law, including, without limitation, the U.S. Securities Act of 1993, as amended, and the rules promulgated thereunder) and that the Company shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the shareholders in general meeting in accordance with applicable law.

If an offer is made for the Company's shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether to accept the offer, it should explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the Board have excluded themselves from the statement. The Board shall consider whether to obtain a valuation from an independent expert. If any member of the Board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid, the Board shall obtain an independent valuation. This shall also apply if the bidder is a major shareholder (as defined in section 8 above). Any such valuation should either be enclosed with the Board's statement or reproduced or referred to in the statement.

The Company does not deviate from section 14 of the Code.

16 AUDITOR

1.1 Recommendation under the Code

The recommendation pursuant to section 15 of the Code is as follows:

[3] Conyers Note to THO: The bye-laws do include advance notification provisions in relation to the nomination of a directors (bye-law 36) and certain restrictions on transfers (as noted previously in this document). Are any of these relevant for the purposes of this part of the code?

The board of directors should ensure that the auditor submits the main features of the plan for the audit of the company to the audit committee annually.

The board of directors should invite the auditor to meetings that deal with the annual accounts. At these meetings the auditor should report on any material changes in the company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the company.

The board of directors should at least once a year review the company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement.

The board of directors should establish guidelines in respect of the use of the auditor by the company's executive management for services other than the audit.

1.2 The Company's compliance

The Company's external auditor is PricewaterhouseCoopers LLP. The auditor is independent of the Company. The auditor shall annually confirm its independence in writing to the audit and risk committee.

The auditor holds office until the next annual general meeting of the Company. The auditor is responsible for the audit of the consolidated financial statements of the Company. It is the shareholders at a general meeting who appoints the auditor pursuant to the Bye-laws.

The Board ensures that the auditor annually presents an audit plan to the audit and risk committee and/or the Board.

The audit and risk committee shall invite the auditor to participate in the audit and risk committee's review and discussion of the annual accounts and quarterly interim accounts. In these meetings, the audit and risk committee shall be informed of the annual and half-yearly accounts and issues of special interest to the auditor. At these meetings the auditor should review any material changes in the Company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the management of the Company and/or the audit and risk committee. The auditor shall not participate in board meetings that deal with the annual accounts, which represents a deviation from section 15 of the Code.

At least once a year, the audit and risk committee shall review the Company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement. The Board shall establish guidelines specifying the right of the Company's executive management to use the auditor for purposes other than auditing. The auditor's remuneration is approved by the shareholders at the general meeting or in such manner as the shareholders may determine. Information about the auditor's remuneration shall be reported in the Company's annual report in line with past practice.

Other than as mentioned above, the Company does not deviate from section 15 of the Code.