

Seadrill Management Limited (the “Company”)

Seadrill Management Limited is classified as a large private company under the Companies Act 2006, as such the Company is required to produce:

1. *S.172 Statement*
2. *Stakeholder Engagement Statement*

1. Section 172(1) Statement

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

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

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

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

Seadrill Limited sets the strategic direction for the Seadrill group, and delegates certain management authority to the executive management. Decisions beyond this delegated authority are taken by the board of affected subsidiaries, including Seadrill Management Limited.

Executive management have the relevant commercial skills and industry experience to carry out regular financial reviews of the Company in order to identify risks and risk mitigation activities. The board and management ensure that they act in a way that would most likely promote the Company’s success within the Seadrill group for the benefit of its members, and in doing so have regard to:

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

The principal activity of the Company is to provide management services to the drilling fleet and holding companies made up by the Company’s group, associates and joint ventures. The Company has made some recent appointments to its board which provide a broader skill set. On the 30 July 2020, Seadrill’s General Counsel and Senior Vice President, Sandra Redding, and Chief Executive Officer, Stuart Jackson, were appointed as Directors of the Company. Sandra and Stuart are members of the Executive Team of Seadrill Limited, the Parent company of the Company. This has brought further balance to the Board of Directors which will improve decision making in the long term, given the respective Legal and Financial backgrounds of Sandra and Stuart.

With over 5000 employees globally, Seadrill is organized into a center-led structure, with operating-units in Operations. Our operational structure is organized by asset class: Harsh Environment, Jack-ups and Floaters. This structure, which went live in Q4 2020, will help to ensure Seadrill is set up to transform the Group & the Company in the long term. This structure gives us greater transparency and leadership focus within each asset class and will also improve our ability to benchmark how each of these classes is performing.

Other key strategic decisions include the implementation of a company secretarial team, responsible for the management of Group policies and procedures. A process of cross department endorsements has been implemented for the approval of any relevant documentation. The Directors consider wider and more formal consultation will improve decision making and achieve buy in from relevant parties.

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

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

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

Reinforcement through the appraisal and employee engagement survey processes ensures Directors can give regard to employee interest when taking principal decisions during the financial year. The Company has also implemented a succession plan and talent development framework.

Key strategic decisions taken during the financial year were the issuance of a Short-Term Incentive Plan Award and Performance Share Units. Consultation across the Senior Management team was led by the Compensation and Benefit Function and ensured the awards were made on a fair and consistent basis. These are designed to incentivise and retain talent and the Directors believe long term staff retention has benefited as a result of such awards. The Directors hold this view because the awards are linked to the performance of the Company and settlement is made on a deferred basis. The Short-Term Incentive Plan Award and Performance Share Units will be reviewed from the 1 January 2020.

Our *Medfit* program is a beacon of excellence that allows us to ensure our people receive the best possible preventative care, both mentally and physically and exceeds the requirements of baseline offshore medical certification.

Beyond complying with laws and regulations, we enforce a strong Code of Conduct and implement best practices to govern our operations. We also continuously refine our ethics and compliance policies, processes and training.

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

The Company’s key clients are fellow group Companies, joint ventures and associations. The Company provides full transparency to its customer on the basis for management charges and the reasons for deviation from budget. Management will regularly respond to questions from customers on how charges have been calculated.

As the provider of Corporate management services, the Company engages many professional advisers. Management will regularly review the use of advisers through competitive tender, of a least three, or other processes. Relationships with advisers are important in carrying out the Companies business. Management invests in relationships and believe value is obtained from advisers that know and understand the business well.

Seadrill is actively participating also with several agencies like ABS and DNV to the continuous development of international standards. We are also an active participant with IADC around the world to share our experience and define international best practices.

Supply chain works closely with the regional compliance counsels on onboarding and monitoring our suppliers to ensure that they operate to the same high ethical standard as Seadrill does.

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

We foster diversity and inclusion and in many of the areas we work in, we have high rates of nationalisation ensuring local communities are employed and represented throughout our operations. The Company supports local university talent by offering placements for university students. The placement allows us to interact with fresh talent & new ideas

Seadrill has reported into the Carbon Disclosure Project since 2012 and we are proud to be an industry-leader in terms of how we manage our carbon emissions and take coordinated action on climate issues. In recent years, we have pioneered the introduction of hybrid power on the West Mira which has reduced CO2 emissions by 14% to date. The advanced lithium-ion energy storage solution (ESS) on the West Mira has led to the rig becoming the first rig in the world to be awarded the DNV GL Battery (Power) class notation.

The West Bollsta rig, managed by Seadrill and owned by Northern Ocean, is the first of its kind to utilize Selective Catalytic Reduction (SCR) technology in combination with a closed bus-tie (CBT) notation system. SCR technology reduces NOx emissions by 70% and the CBT system reduces CO2 emissions by 11% and NOx emissions by 9%.

We have adopted a 'digital first' approach to running our business in order to cut our air travel emissions. We use video conferencing whenever possible and only travel when necessary. This will be a prime focus in the next financial year, considering the COVID-19 pandemic.

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

As the subsidiary entity that employs the businesses Senior Management and Executives, the Company is at the forefront of implementing group policies. Policy details can be obtained from www.seadrill.com.

These include:

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

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

2. Stakeholder Engagement Statement

(please see page below)

Stakeholder:	Why this group is identified as a stakeholder:	Types of Engagement to stakeholder:	Why is it important to engage with the stakeholder?	Outcome of engagement:
Employees:	<p>Employees are those who work for Seadrill Management Limited, with primary responsibilities in Liverpool or London.</p> <p>The Directors oversee employee engagement through a number of avenues as described to the right.</p>	<p>The Company holds a quarterly live video call entitled 'Ask the CEO.'</p> <p>The video call is used as a forum to communicate business updates and is followed by a live employee Q&A Session.</p> <p>Internal Magazine, <i>The World of Seadrill</i></p> <p>Employee Engagement Survey</p> <p>Seadrill TV: To reach our offshore employees who are largely 'offline' we have Seadrill TV installed across all rigs which shares company updates, safety messages, and local and international news, weather and sport.</p>	<p>The Company's long-term success is dependent on the commitments, skill & expertise of its employees.</p> <p>We engage with the workforce to ensure our employees are happy and we foster a culture that retains top talent.</p>	<p>By holding a Q&A forum, Senior management has transparency on the current concerns of employees. This allows management to assess if further communications on an issue is needed and helps solve levels of miscommunication. Helping the Company achieve its purpose of fostering a culture of openness and transparency.</p> <p>Ask the CEO sessions include participation from all Senior Vice Presidents and relevant suggestions are followed up.</p> <p>Employee engagement surveys are likewise followed up, with results communicated to via presentations from management.</p>
Suppliers:	<p>The purpose of the Company is to arrange and manage procurement from suppliers for and on behalf of our clients and customers. The Directors oversee a rigorous supplier onboarding process.</p>	<p>We issue disclosures on tender practices & payment practices. All suppliers must comply with our tender process.</p>	<p>Professional advisors are critical to the operation of the Company and positive relationships are essential.</p>	<p>Frequent engagement with suppliers through our tender and onboarding process ensures that we select the most appropriate suppliers for our business needs.</p>
Customers:	<p>Customers are a key stakeholder to the Company, as the purpose of the Company is to provide management services to the drilling fleet holding companies, associates & J.V. Partnerships.</p>	<p>The Company provides comments and full explanations to all cost variations, through the following methods:</p> <p>Email correspondence &</p>	<p>Customers need to understand the services that they pay for, the basis for management charges and the reasons for deviation from budget.</p>	<p>The outcome of regular engagement is transparent costs to customers, with a rationale for any changes to costs throughout the year.</p>

	The Directors have overall ownership of the process allocation charges to the Company's customers.	<p>response to questions on how charges are calculated.</p> <p>Monthly review of costs and a budget variance review which is sent to SVPs.</p> <p>.</p>		
Social/Community:	The community that the Company operates in is a key stakeholder as the Company recognises its wider impact outside of the financial aspirations of the Company.	<p>August Volunteer Month</p> <p>Sedrill gives employees up to 2 days to volunteer in their local community. For every person that Volunteers Sedrill donates £50 to Mind.</p>	Volunteering comes with many benefits to the receivers of the help and the volunteer.	The outcome to the community is to teach valuable skills to community members, and to help social causes.
		Placements to students from local universities	Supporting local university talent allows us to interact with fresh talent & new ideas.	The Company takes on average 5 employees on placement annually from local universities.