GLOBAL SUBSTANCE ABUSE POLICY

1. PURPOSE
Subsea 7 recognises the potential danger as a result of the misuse of alcohol, drugs or solvents to an individual’s personal safety, the safety of colleagues, Company assets and the organisation as a whole. This policy is part of Subsea 7’s overall approach to managing the health, safety and welfare of all personnel at work or engaged in work related activities. The Company will endeavour to eliminate alcohol, drug and solvent abuse by employees, workers and contractors deployed in the course of Company business and will assist and co-operate with official bodies and clients in the execution of their legislative or contractual alcohol, drug and solvent abuse policies where applicable.

As part of this commitment Subsea 7 has adopted zero tolerance for the presence of alcohol or substances in the body that may impair the mental and/or physical capabilities of employees, workers and contractors putting them and potentially those around them at risk.

The overall objective of this Policy is to maintain a safe working environment for all Subsea 7 employees, workers, contractors and visitors as part of our duty of care. Additionally, the policy will provide a consistent approach to managing drug and alcohol issues within the workplace and offer reasonable support and assistance to employees affected.

The substance abuse policy has been written showing the trace limits of alcohol and substances that indicate the boundaries of zero tolerance, above which disciplinary action will be taken by line management in consultation and agreement with local HR. Disciplinary action will involve a measured response, up to and including dismissal based upon the level of alcohol or substances indicated by testing and will be subject to local laws and regulations within which the local Subsea 7 HR procedures are defined.

2. SCOPE
All personnel working on any vessel, offshore installation, yard, quay, vehicle or spool base whether operated by Subsea 7, the Client or a Third Party are required to report the use of prescription medication, particularly where it may cause any physical or mental impairment which is likely to affect work performance, endangering themselves and others.

This policy is designed to operate on a global basis; however regional policies may be implemented which underpin, enhance or address specific local legislation where applicable. Where this is the case, clear reference will be made to the existence of such policies, normally in the contract of employment, engagement or subcontract documentation as appropriate.

3. DEFINITIONS
When used throughout this document, terms below shall have the following meaning:

“Company” shall mean any subsidiary of Subsea 7 S.A. including joint ventures.

“Employee” shall mean any director, employee or officer of the Company, together with permanent and temporary contractors, subcontractors, workers, visitors and consultants.

“Policy” shall mean the Global Substance Abuse Policy approved for use and posted to the Subsea 7 Business Management System global pages.

“Worksite” shall mean any office, vessel, offshore installation, permanent or temporary area, yard, quay, vehicle or spool base operated by the Company, or deemed to be its responsibility. Whereby the Company provides services at Clients or Third Party premises this will be deemed to be a worksite for the purposes of this policy.
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4. POLICY STATEMENT REQUIREMENTS

4.1 ASSISTANCE/TREATMENT

Employees who recognise they may have a drink, drug or solvent problem, are encouraged to seek help voluntarily and may contact the appropriate line management or HR support departments for advice and assistance and/or may make an appointment with the Company Medical Advisor for assessment and help.

It is the responsibility of the Employee to decide whether or not to seek help and such requests will be treated in strictest confidence.

Employees who decline offers of an assessment programme, counselling or treatment or who prematurely discontinue the programme and whose work performance continues to be unsatisfactory; will be subject to the Company’s standard performance management processes, which may include disciplinary action.

Wherever possible, the Company will offer assistance to Employees such as counselling or leave of absence from work if required for treatment. However, there may be some instances when treatment may not be appropriate and each case must be assessed individually. The signs and symptoms of problem drinking/drug and solvent abuse are often recognisable in the workplace and early identification by both the Employee and supervisor/manager is essential. However, if there is continued unacceptable behaviour or standards of work and refusal to accept assistance, it may be dealt with by appropriate disciplinary action, up to and including dismissal. An Employee on a course of treatment will be regularly counselled to ensure that the treatment is being adhered to and progress is being made.

If an Employee relapses during or after treatment, the case will be sympathetically considered in the light of professional advice. Each case will be considered on its own merits, but the Company may agree to a further period of treatment following a first lapse. However, if an Employee relapses after the second course of treatment, consideration will have to be given to invoking the disciplinary procedure.

This policy will be regularly reviewed by the Company and may be amended at any time.

4.2 SCREENING LEVELS

The Alcohol Screening Levels to be used for the purposes of this policy are as follows:

<table>
<thead>
<tr>
<th>TEST</th>
<th>SCREENING LEVEL I</th>
<th>SCREENING LEVEL II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breath (µg/100ml)</td>
<td>9 micrograms of alcohol in 100 millilitres of breath</td>
<td>35 micrograms of alcohol in 100 millilitres of breath</td>
</tr>
<tr>
<td>Urine (mg/100ml)</td>
<td>27 milligrams of alcohol in 100 millilitres of urine</td>
<td>107 milligrams of alcohol in 100 millilitres of urine</td>
</tr>
<tr>
<td>Blood mg/100ml)</td>
<td>20 milligrams of alcohol in 100 millilitres of blood</td>
<td>80 milligrams of alcohol in 100 millilitres of blood</td>
</tr>
</tbody>
</table>

Alcohol testing will be carried out through the use of breath samples, further tests may be requested to support the breath test. However, for the purposes of this policy, this is not a mandatory requirement.
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To allow for naturally occurring alcohol in the body, practicality of testing and accuracy of test equipment, test results at or lower than those values stated under Screening Level I in the table above will be considered to be negative.

Screening Level II is set in accordance with recognised driving limit levels in the UK as used by the UK Road Traffic Act. Employees must be aware that alcohol limits in some countries may be substantially lower than those listed in this policy and that local law and therefore limits will prevail when personnel are deployed there.

Example: In Norway the alcohol limit for driving is 20 milligrams in 100 millilitres of blood which is substantially lower than the driving limit of 80 micrograms in 100 millilitres of blood in the UK. Therefore, when working in Norway, the most severe disciplinary action will be applied at Screening Level 1.

4.3 POSITIVE TEST RESULTS FOR ALCOHOL

Any employee testing positive for alcohol above the values stated for Screening Level I but below Screening Level II will, as a minimum, be restricted from work and the worksite until further testing indicates a negative result.

Testing positive for alcohol above Screening Level I will also require an HR disciplinary action of at least one or more of the following:

- Letter of warning;
- Personal interview with HR;
- Personal interview with Senior Management;
- Special Training;
- Possible Termination of employment

Test results showing alcohol in excess of the limits listed for Screening Level II in the table above will normally result in immediate termination on the first offence, according to local disciplinary procedures.
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4.4 PROHIBITED SUBSTANCE LEVELS

The Company has set threshold limits for the screening levels of drugs permitted in recognition of the fact that some over the counter and prescription drugs taken legitimately may contain trace elements of Company banned drugs listed in the table below.

Drug testing will be carried out using urine samples and a positive urine test result (where there is no legitimate medical explanation) is deemed to be where the substance in your body exceeds the following limits.

<table>
<thead>
<tr>
<th>Drug Group</th>
<th>Maximum trace level permitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amphetamines</td>
<td></td>
</tr>
<tr>
<td>Amphetamine</td>
<td></td>
</tr>
<tr>
<td>Methylamphetamine</td>
<td></td>
</tr>
<tr>
<td>MDMA</td>
<td>1,000 ng/ml as d-methamphetamine</td>
</tr>
<tr>
<td>MDEA</td>
<td></td>
</tr>
<tr>
<td>MDA</td>
<td></td>
</tr>
<tr>
<td>Barbiturates</td>
<td></td>
</tr>
<tr>
<td>Secobarbitone</td>
<td>200 ng/ml as secobarbitone</td>
</tr>
<tr>
<td>Phenobarbitone</td>
<td></td>
</tr>
<tr>
<td>Pentobarbitone</td>
<td></td>
</tr>
<tr>
<td>Butobarbitone</td>
<td></td>
</tr>
<tr>
<td>Amylobarbitone</td>
<td></td>
</tr>
<tr>
<td>Allobarbitone</td>
<td></td>
</tr>
<tr>
<td>Benzodiazepines</td>
<td></td>
</tr>
<tr>
<td>Diazepam</td>
<td>200 ng/ml as oxazepam</td>
</tr>
<tr>
<td>Nordiazepam</td>
<td></td>
</tr>
<tr>
<td>Oxazepam</td>
<td></td>
</tr>
<tr>
<td>Temazepam</td>
<td></td>
</tr>
<tr>
<td>Buprenorphine</td>
<td>5 ng/ml</td>
</tr>
<tr>
<td>Cannabis</td>
<td>30 ng/ml</td>
</tr>
<tr>
<td>THC metabolite</td>
<td>30 ng/ml</td>
</tr>
<tr>
<td>Cocaine – benzoylconine</td>
<td>300 ng/ml</td>
</tr>
<tr>
<td>LSD</td>
<td>500 pg/ml</td>
</tr>
<tr>
<td>Methadone or metabolites</td>
<td>300 ng/ml</td>
</tr>
<tr>
<td>Methaqualone</td>
<td>300 ng/ml</td>
</tr>
<tr>
<td>Opiates</td>
<td></td>
</tr>
<tr>
<td>Codeine</td>
<td></td>
</tr>
<tr>
<td>Dihydrocodeine</td>
<td>300 ng/ml as morphine</td>
</tr>
<tr>
<td>Morphine</td>
<td></td>
</tr>
<tr>
<td>6 MAM</td>
<td>10 ng/ml</td>
</tr>
<tr>
<td>Phencyclidine (PCP)</td>
<td>25 ng/ml</td>
</tr>
<tr>
<td>Propoxyphene or metabolites</td>
<td>300 ng/ml</td>
</tr>
</tbody>
</table>
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Employees must be aware that drug limits in other countries may be substantially lower than those listed in the Global Substance Abuse policy and these laws must be complied with. It is also important to highlight the fact that in some countries in which the Company operates there are severe penalties for the possession and use of drugs.

These penalties include long term imprisonment and in some cases the judicial system can instruct the death penalty.

4.5 POSITIVE TEST RESULTS FOR PROHIBITED SUBSTANCES

The guideline for test results which exceed the trace elements listed in the Substance Abuse Policy will normally result in disciplinary action being taken up to and including immediate termination on the first offence.

4.6 TESTING MEASURES

The Company, or a duly appointed representative of the Company, shall have the right at any time, to request breath samples from any Employee to be taken and tested for the presence of alcohol and urine samples to test for prohibited drugs and/or substances other than those prescribed by a medical practitioner and used in accordance with the prescription directions. Further tests maybe requested to support the breath or urine tests; however this is not a mandatory requirement.

Testing of Employees may be conducted under the following circumstances:

- As a condition of employment or engagement either through a pre-employment medical executive medical or an offshore medical;
- Where there are reasonable grounds for suspicion that an Employee is under the influence of drugs or alcohol or other substances;
- Where a search of property has uncovered substances or equipment which may be related to illegal substance misuse;
- In cases where the Employee has had any involvement in a workplace accident or in any incident that has caused or could have caused a danger to health or safety;
- Where the Company has reasonable grounds to believe that alcohol or drug/substance misuse may be an underlying or contributory factor;
- As part of our random alcohol/drugs testing programme which is carried out for all roles within the Company, reflecting the critical importance of safety to our business;
- Where Employees are assigned to work on Client’s or Third Party worksites they will be subject to testing in line with Client’s own testing procedures for alcohol and substance abuse. For the purpose of clarity, the levels used for screening will be between those documented in this policy and the levels specified by the Client or Third party, whichever is the lower limit.

In the event that a test proves positive, the Employee will be suspended and not allowed to return to work until such time as the investigation/disciplinary processes have concluded.

Testing will only be carried out by competent personnel who will use accepted and reliable methods to standards acceptable to the Company.
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Subsea 7 may use proprietary products to rapidly test for alcohol, opiates (natural and synthesised), barbiturates, amphetamines, cocaine, hallucinogens, etc. within urine samples. These test devices can detect traces of alcohol or drugs which could have been taken some time before the actual test. The rapid testing indicators provide a relative indication only; further testing by more rigorous methods in an approved laboratory may be necessary if there may be any subsequent dispute regarding findings. All test samples must follow a rigorous process to ensure that they are not tampered with and the “Chain of Custody” is ensured.

The Company cannot legally enforce the giving of samples; however the Company will view any failure to comply with a request for samples for such testing or attempting to interfere with the test process as a matter of serious concern, and will normally invoke the disciplinary process. Where consent to a test is given, by association it is assumed the Employee also agrees to the release of samples or results for testing against alcohol and prohibited substances as listed in this policy. Such testing will be conducted by the appropriate authorised personnel appointed by the Company.

If an Employee refuses, interferes with, or subsequently fails a drugs or alcohol test, the manager/supervisor is to contact their line management and/or HR advisor for assistance. In either situation it will be dealt with by appropriate disciplinary action, up to and including dismissal.

4.7 PLACES OF WORK WHEN POLICY IS APPLICABLE

No intoxicating drinks are to be brought onto Company Sites without the specific and express approval of senior management (as an absolute minimum) at Vice President Level; illegal drugs must never be brought onto Company Sites.

For the avoidance of doubt, Employees or Workers on port call shore-leave, site lunch breaks, on call etc. whether on or off-shift, are deemed to be in-scope of this policy when they are on Company business, this includes personnel mobilising or demobilising to/from a worksite. Employees returning to the work site must ensure that they are not under the influence of alcohol drugs or solvents within the limits prescribed in this policy.

If there is reason to suspect that an Employee is under the influence (even if not immediately required for a work shift), he/she will be subjected to an immediate breath test.

Any Employee or worker failing this test will not normally be allowed to remain on Site. If this is impractical (e.g. if a vessel is moored in a personal security risk area or Site is experiencing bad weather etc.), the Employee or Worker may have to be accompanied to a safe area, his/her cabin, or a meeting room and continually monitored. Consideration will have to be given to invoking the disciplinary procedure as deemed appropriate.

Any Employee who is aware that others are in possession of or under the influence of alcohol, drugs of abuse or solvents should immediately advise their immediate supervisor on Site or another appropriate member of management.

All Employees taking prescription medication and working on a vessel, offshore installation, yard, quay, and vehicle or spool base whether operated by Subsea 7, the Client or a Third Party must inform the Company’s senior representative at the site as soon as possible.
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4.8 SEARCH
The Company reserves the right at any time to search an Employee’s person, personal effects and baggage (including any Company property being carried) whilst in transit and on Site.

The Company cannot legally enforce the searching of Employees; however any Employee who refuses permission for the search to take place will be considered to be in breach of his/her contract and may be subject to disciplinary action up to and including summary dismissal.

4.9 MANAGERS GUIDELINES
If an Employee reports for duty to a Company Site in a condition where they appear to be under the influence of drugs and/or alcohol in any way, they will not be permitted to commence work.

The Employee will be asked to undertake a drugs and alcohol test as soon as is practically possible and must be accompanied at all times if on Company Site. The Employee will be suspended pending the result and remain suspended during the subsequent investigation. It is important to be aware and ensure that whether the Employee is physically working or not, this Policy applies on our work sites at all times.

If for example we were to have a fire on a vessel in harbour any Employee may have to evacuate or provide assistance to a fire team or stretcher party and as such must be in a fit state to do so at all times when onboard.

Substance abuse may also be identified in the workplace; however the symptoms can be diverse and may include increased sickness absence, poor punctuality, mood swings and declining work performance.

Managers/supervisors who suspect one of their staff of being a problem drinker, drug or solvent abuser are advised to discuss the matter with the relevant line manager, most senior representative available on the Site and/or HR advisor, before approaching the Employee with their concerns. The Manager/supervisor and/or HR advisor will then discuss the matter with the Employee directly, offering guidance, which may include appointing specialist counselling as appropriate.

The Company is both mindful and respectful Employees’ reasonable expectations of privacy at work, including the privacy of the person and the right not to provide samples of body fluid etc. However, the Company believes that its approach to the management of drug and alcohol abuse, including those set out in this Policy, are necessary in pursuit of legitimate business and/or organisational objectives.

The Company’s alcohol and drug testing provisions reflect the industry’s focus on safety for all roles across the Company and in applying this Policy, Company wishes to set out openly the general measures it will take so that Employees understand the limits to their rights to privacy.

The Company seeks the support and consent of Employees where appropriate, to support the application of this Policy in respect of testing when we offer employment or engage Employees on the basis of our terms and conditions, or when particular circumstances present.
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As a manager or supervisor, you need to consider how you would challenge an Employee who is suspected, or is reported, as possibly being under the influence of alcohol, drugs or solvents.

There must always be a management colleague with you when confronting an Employee and you need to understand how you can instruct the test through our medical support services or, where testing kits are supplied on Site, the person who is trained to administer the test.

You have the power to instruct a person you suspect as being under the influence to stop work or be removed from the Site to a safe place, pending a test. Upon a positive test being confirmed, you have the power to suspend the Employee pending an investigation which may include activating the disciplinary process where more senior management and/or the HR department are likely to provide guidance or instruction.

Approved By: Russell Stewart
Position: VP of Human Resources
Effective Date: 05 Jul 2011