



2023 Annual General Meeting
and Proxy Statement
2022 Annual Report

LETTER TO SHAREHOLDERS

NOTICE OF 2023 ANNUAL GENERAL MEETING AND PROXY STATEMENT

COMPENSATION REPORT

2022 ANNUAL REPORT TO SHAREHOLDERS

ABOUT TRANSOCEAN LTD.

Transocean is a leading international provider of offshore contract drilling services for oil and gas wells. The company specializes in technically demanding sectors of the global offshore drilling business with a particular focus on ultra-deepwater and harsh environment drilling services and operates one of the most versatile offshore drilling fleets in the world. Transocean owns or has partial ownership interests in, and operates a fleet of 37 mobile offshore drilling units consisting of 27 ultra-deepwater floaters and 10 harsh environment floaters. In addition, Transocean is constructing one ultra-deepwater drillship and holds a noncontrolling ownership interest in a company that is constructing one ultra-deepwater drillship. The company's shares are traded on the New York Stock Exchange under the symbol RIG.



The symbols in the map above represent the company's global market presence as of the February 9, 2023 Fleet Status Report.

Excludes Deepwater Titan (ultra-deepwater drillship classified as under construction until it enters service) and Deepwater Aquila (20% JV ownership interest, under construction).

ABOUT THE COVER

The cover shows *Deepwater Titan* during sea trials in fall 2022. Transocean accepted delivery of *Deepwater Titan* in Singapore late last year. Once the ultra-deepwater drillship arrives in the U.S. Gulf of Mexico in the coming months, operations are expected to commence on the drillship's initial 5-year contract. *Deepwater Titan* is the industry's second eighth-generation drillship and first drillship delivered with two 20,000 psi blowout preventers and associated well-control equipment, including marine riser and piping systems for high-pressure and high temperature drilling and completion operations.

FORWARD-LOOKING STATEMENTS

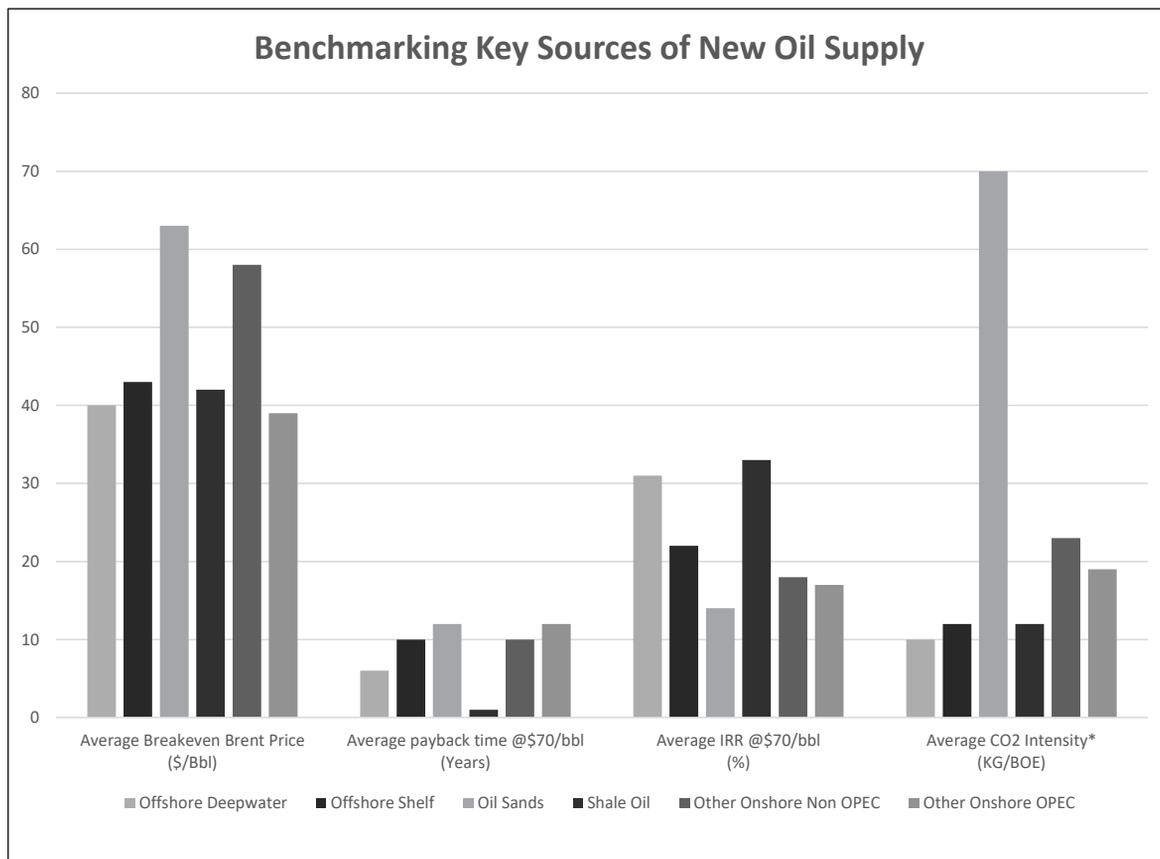
Any statements included in this Proxy Statement and 2022 Annual Report that are not historical facts, including, without limitation, statements regarding future market trends and results of operations are forward-looking statements within the meaning of applicable securities law. Such statements are subject to numerous risks and uncertainties beyond our control and our actual results may differ materially from our forward-looking statements.

TO THE OWNERS OF OUR COMPANY:

We will look back on 2022 as a pivotal year in the history of Transocean. Geopolitical events raised global awareness of the delicate state of worldwide energy supply and after eight years of underinvestment in oil and gas exploration and production, the general public gained a new appreciation for the role our industry plays in meeting the world's need for affordable, reliable, abundant and transportable energy. This altered the mainstream narrative to one of “energy security” rather than “energy transition.” As a consequence, oil prices sharply increased in the first half of 2022 and have since maintained the stability needed to support incremental investment.

Over the past 12 months, offshore drilling contracting activity rapidly increased as our customers renewed their commitment to invest in oil and gas exploration, development, and production. And, in the coming years, we believe more capital will be directed to the offshore industry and Transocean, in particular. Some of the largest and most economical hydrocarbon reserves are found offshore in deepwater, specifically, the Gulf of Mexico, Brazil, and West Africa, and in harsh environments, such as Norway.

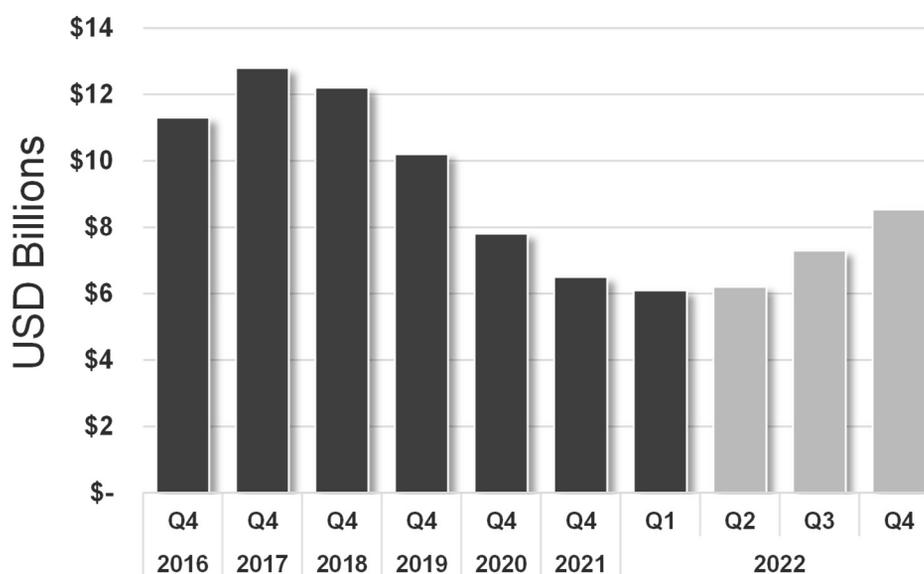
Meanwhile, over the last eight years, our industry has driven significant and sustainable efficiencies into offshore projects, significantly reducing project costs and compressing the time to first oil. Additionally, the carbon intensity of offshore production is frequently lower than that of onshore production; and, because of the sustained efficiencies realized during the downturn, the economic returns of offshore projects are highly competitive with, and in many cases superior to, onshore projects.



Accordingly, global demand for the highest-specification floaters, such as those that Transocean owns and operates, has accelerated significantly. And, since availability of these assets was conspicuously scarce, throughout 2022, we were able to obtain significant increases in contract dayrates and contract duration for our assets. Transocean has an acute understanding of the market, and the value of our assets and our operational performance; as such, we are proud to have secured contracts in the back half of the year with leading-edge dayrates in excess of \$400,000 for our most capable seventh generation drillships.

Across the global fleet on a year-over-year basis, the dayrate on the average drillship fixture in the fourth quarter of 2022 was 63% higher. In addition to leading the industry in dayrates, Transocean was also awarded approximately 31% of the 81 floater rig years contracted during the year, adding approximately \$4 billion in incremental backlog. This is additional evidence that our customers recognize and appreciate the value that Transocean creates and validates our strategy of operating the most desirable, high-specification fleet in the industry with highly trained crews and exceptional and experienced shore-based support. As such, we ended 2022 with a total backlog of approximately \$8.3 billion – more than twice that of our nearest competitor. Our momentum has carried into 2023 with another multi-year, high dayrate contract in Brazil signed in January.

Historic Backlog



In addition, we are extremely proud that our financial discipline and strategic operational decisions over the past several years have combined to preserve the equity of our shareholders, a claim that none of our competitors can make. As our fleet transitions to newer contracts with higher dayrates and longer terms, the increase in, and predictability of, future cash flows will help support our efforts to improve our capital structure.

On that strategic imperative, we have made considerable progress. First, in July 2022, we extended our revolving credit facility, which remains undrawn, through June 2025. In September 2022, we conducted an exchange of securities that provided the company with an incremental \$175 million in liquidity. In January 2023, when favorable market conditions arose, we executed two more transactions: a \$525 million secured financing of the *Deepwater Titan*, and a \$1.175 billion refinancing of four of our senior secured notes. With these transactions, we materially improved our medium-term liquidity and set the stage to opportunistically pursue additional transactions that will help de-lever and improve the flexibility of our balance sheet.

Operationally, we delivered another strong year of safe, reliable, and efficient operations. Our total recordable incident rate of 0.21 beat our 2022 target of 0.24, with 18 of our rigs operating incident-free throughout the year. In our constant pursuit of operational excellence, we endeavor to meet our goal of operating recordable

incident-free on all our rigs in 2023. We also saw a 22% reduction in serious near hit dropped objects year-over-year. Along with our strong safety record, we delivered fleetwide uptime performance of 97%, resulting in year-end revenue efficiency of 96.4%.

As yet another highlight in 2022, we enhanced our fleet when we took delivery of the *Deepwater Atlas* in June and the *Deepwater Titan* in December, which are indisputably the two highest specification drillships in the world. These eighth generation drillships have an industry-leading net three-million-pound hookload, purpose-built completions deck, and will both be outfitted with 20,000 psi well control equipment. No other offshore rigs in the world have these characteristics. Also, in November 2022, we announced our investment in a joint venture to purchase the *Deepwater Aquila*, one of only a dozen 1400 short ton hookload drillships in the world. As part of our participation in the joint venture, we maintain the exclusive right to market and manage operations of the rig. Of the remaining 1400 short ton drillships, we own and operate seven.

Despite financial constraints, we also continued to invest in our existing fleet and deploy technologies that support safe, reliable, and efficient operations and our emissions reduction initiatives. One of these technologies, robotic riser bolting, incorporates the latest developments in robotics technology, including vision and tactile control, and is another step in increasing automation offshore. This system eliminates the need for personnel to continuously be present on the drill floor during riser operations, which results in safer, more efficient, and more consistent operations. This system is now operational on two of our drillships operating in the U.S. Gulf of Mexico and is garnering significant attention from multiple customers.

Our crane anti-sway rotator is another technology that we introduced into our fleet last year that increases the safety of our personnel and efficiency of our operations. The tool can automatically arrest a swinging load without the need for crane operator intervention and can rotate 360 degrees for proper positioning on the deck. It is currently operational on one of our drillships operating in the U.S. Gulf of Mexico.

We also began using a fuel additive on eight of our rigs that optimizes fuel consumption, supporting our goal of reducing emissions. To date, field tests utilizing the additive suggest fuel consumption can be reduced by up to six percent depending on engine loads. With the aid of our proprietary Smart Equipment Analytics "SEA" platform, we continue to track operational statistics to better analyze operational savings. SEA provides real time equipment data and analytics to our operations team with the goal of driving higher uptime and lower maintenance costs. By transmitting essential information from our various rig systems in real time, SEA enables our team to immediately evaluate the condition of the equipment and the performance of the systems.

Needless to say, we are incredibly proud of the entire Transocean team for the tremendous work and dedication in 2022. As a result of the collective effort, Transocean is well-positioned to prosper and deliver shareholder value as we continue through what we expect to be a multi-year sustained recovery. We thank all our shareholders for your continued confidence in our company and we look forward to continuing to earn your trust and support in 2023 and beyond.



A handwritten signature in black ink, appearing to read "Chadwick C. Deaton".

CHADWICK C. DEATON
Chair of the Board of Directors



A handwritten signature in black ink, appearing to read "Jeremy D. Thigpen".

JEREMY D. THIGPEN
Chief Executive Officer

March 21, 2023

CONTENTS

P-1	NOTICE TO SHAREHOLDERS
P-4	PROXY STATEMENT SUMMARY
P-9	GOVERNANCE HIGHLIGHTS
P-10	SUSTAINABILITY HIGHLIGHTS
P-12	INVITATION TO 2023 ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.
P-18	IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
P-19	INFORMATION ABOUT THE MEETING AND VOTING
P-25	AGENDA ITEM 1 REALLOCATION OF CHF 9.5 BILLION OF FREE CAPITAL RESERVES FROM CAPITAL CONTRIBUTION TO STATUTORY CAPITAL RESERVES FROM CAPITAL CONTRIBUTION
P-26	AGENDA ITEM 2 APPROVAL OF (A) THE 2022 ANNUAL REPORT, INCLUDING THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TRANSOCEAN LTD. FOR FISCAL YEAR 2022 AND THE AUDITED STATUTORY FINANCIAL STATEMENTS OF TRANSOCEAN LTD. FOR FISCAL YEAR 2022 AND (B) THE SWISS STATUTORY COMPENSATION REPORT FOR FISCAL YEAR 2022
P-28	AGENDA ITEM 3 DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TEAM FROM LIABILITY FOR ACTIVITIES DURING FISCAL YEAR 2022
P-29	AGENDA ITEM 4 APPROPRIATION OF THE ACCUMULATED LOSS FOR FISCAL YEAR 2022
P-30	AGENDA ITEM 5 APPROVAL OF SHARES AUTHORIZED FOR ISSUANCE
P-31	AGENDA ITEM 6 ELECTION OF 11 DIRECTORS, EACH FOR A TERM EXTENDING UNTIL COMPLETION OF THE NEXT ANNUAL GENERAL MEETING
P-46	SKILLS & EXPERIENCE MATRIX FOR INDEPENDENT DIRECTORS
P-48	AGENDA ITEM 7 REELECTION OF THE CHAIR OF THE BOARD OF DIRECTORS FOR A TERM EXTENDING UNTIL COMPLETION OF THE NEXT ANNUAL GENERAL MEETING
P-49	AGENDA ITEM 8 REELECTION OF THE MEMBERS OF THE COMPENSATION COMMITTEE, EACH FOR A TERM EXTENDING UNTIL COMPLETION OF THE NEXT ANNUAL GENERAL MEETING
P-50	AGENDA ITEM 9 REELECTION OF THE INDEPENDENT PROXY FOR A TERM EXTENDING UNTIL COMPLETION OF THE NEXT ANNUAL GENERAL MEETING
P-51	AGENDA ITEM 10 APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2023 AND REELECTION OF ERNST & YOUNG LTD, ZURICH, AS THE COMPANY'S AUDITOR FOR A FURTHER ONE-YEAR TERM
P-53	AGENDA ITEM 11 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION FOR FISCAL YEAR 2023
P-55	AGENDA ITEM 12 ADVISORY VOTE TO APPROVE FREQUENCY OF NAMED EXECUTIVE OFFICER COMPENSATION VOTE
P-56	AGENDA ITEM 13 PROSPECTIVE VOTE ON THE MAXIMUM COMPENSATION OF (A) THE BOARD OF DIRECTORS AND (B) THE EXECUTIVE MANAGEMENT TEAM
P-60	AGENDA ITEM 14 APPROVAL OF (A) AMENDMENT AND RESTATEMENT OF TRANSOCEAN LTD. 2015 LONG-TERM INCENTIVE PLAN AND (B) CAPITAL AUTHORIZATION FOR SHARE-BASED INCENTIVE PLANS
P-69	AGENDA ITEM 15 APPROVAL OF AMENDMENTS TO ARTICLES OF ASSOCIATION TO REFLECT NEW SWISS CORPORATE LAW AND MAKE CERTAIN RELATED CHANGES
P-71	CORPORATE GOVERNANCE
P-80	BOARD MEETINGS AND COMMITTEES
P-88	2022 DIRECTOR COMPENSATION
P-89	AUDIT COMMITTEE REPORT
P-91	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
P-92	SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

P-93 COMPENSATION DISCUSSION AND ANALYSIS

P-112 COMPENSATION COMMITTEE REPORT

P-113 EXECUTIVE COMPENSATION

P-127 EQUITY COMPENSATION PLAN INFORMATION

P-128 OTHER MATTERS

AP-1 APPENDIX A

AP-1 APPENDIX B

AN-1 ANNEX A

AN-1 ANNEX B

AN-1 ANNEX C

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NOTICE TO SHAREHOLDERS

The 2023 Annual General Meeting of the shareholders (the “2023 Annual General Meeting”) of Transocean Ltd. (the “Company”) will be held:



WHEN

Thursday, May 11, 2023
6:30 p.m., Swiss time



WHERE

Parkhotel Zug
Industriestrasse 14
6304 Zug, Switzerland

Information regarding the matters to be acted upon at the meeting is set forth in the attached invitation to the 2023 Annual General Meeting and the proxy statement, which is available at: www.deepwater.com by selecting Financial Reports, then Annual and Quarterly Reports in the dropdown menu of the Investors section.

At the 2023 Annual General Meeting, we will ask you to vote on the following items:

AGENDA ITEM	DESCRIPTION	BOARD RECOMMENDATION	FOR MORE INFORMATION, SEE PAGE
1	Reallocation of CHF 9.5 Billion of Free Capital Reserves from Capital Contribution to Statutory Capital Reserves from Capital Contribution	✓ FOR	P-25
2	Approval of (A) the 2022 Annual Report, Including the Audited Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2022 and the Audited Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2022 and (B) the Swiss Statutory Compensation Report for Fiscal Year 2022	✓ FOR	P-26
3	Discharge of the Members of the Board of Directors and the Executive Management Team from Liability for Activities During Fiscal Year 2022	✓ FOR	P-28
4	Appropriation of the Accumulated Loss for Fiscal Year 2022	✓ FOR	P-29
5	Approval of Shares Authorized for Issuance	✓ FOR	P-30
6	Election of 11 Directors, Each for a Term Extending Until Completion of the Next Annual General Meeting	✓ FOR	P-31
7	Reelection of the Chair of the Board of Directors for a Term Extending Until Completion of the Next Annual General Meeting	✓ FOR	P-48
8	Reelection of the Members of the Compensation Committee, Each for a Term Extending Until Completion of the Next Annual General Meeting	✓ FOR	P-49
9	Reelection of the Independent Proxy for a Term Extending Until Completion of the Next Annual General Meeting	✓ FOR	P-50
10	Appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2023 and Reelection of Ernst & Young Ltd,	✓ FOR	P-51

NOTICE TO SHAREHOLDERS

	Zurich, as the Company's Auditor for a Further One-Year Term		
11	Advisory Vote to Approve Named Executive Officer Compensation for Fiscal Year 2023	✓ FOR	P-53
12	Advisory Vote to Approve Frequency of Named Executive Officer Compensation Vote	✓ FOR	P-55
13	Prospective Vote on the Maximum Compensation of the (A) Board of Directors and (B) the Executive Management Team	✓ FOR	P-56
14	Approval of (A) Amendment and Restatement of Transocean Ltd. 2015 Long-Term Incentive Plan and (B) Capital Authorization for Share-Based Incentive Plans	✓ FOR	P-60
15	Approval of Amendments to Articles of Association to Reflect New Swiss Corporate Law and Make Certain Related Changes	✓ FOR	P-69

It is important that your shares be represented and voted at the meeting. If you are a shareholder registered in our share register, you may submit voting instructions electronically over the internet, by telephone or, if you request that the proxy materials be mailed to you, by completing, signing and returning the proxy card enclosed with those materials. If you hold your shares in the name of a bank, broker or other nominee, please follow the instructions provided by your bank, broker or nominee for submitting voting instructions, including whether you may submit voting instructions by mail, telephone or over the internet.

Under rules of the U.S. Securities and Exchange Commission ("SEC"), we have elected to provide access to our proxy materials over the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our shareholders as of the close of business on March 21, 2023. All shareholders will have the ability to access the proxy materials on the website referred to in the Notice or to request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice. The Notice also instructs you on how you may submit your proxy over the internet, by telephone or via mail. If you receive the Notice, you will not receive a printed copy of the proxy materials unless you request one in the manner set forth in the Notice or as otherwise described in the proxy statement.

A copy of the proxy materials, including a proxy card or voting instruction form, will also be sent to any additional shareholders who are registered in our share register as shareholders with voting rights, or who become beneficial owners through a nominee registered in our share register as a shareholder with voting rights, as of the close of business on April 24, 2023, and who were not registered as of March 17, 2023. The Notice or proxy statement and form of proxy, as appropriate, are first being mailed or sent, as appropriate, to shareholders on or about March 21, 2023.

A note to Swiss and other European investors: Transocean Ltd. is incorporated in Switzerland, has issued registered shares and trades on the New York Stock Exchange; however, unlike some Swiss incorporated companies, **share blocking and re-registration are not requirements for any shares of Transocean Ltd. to be voted at the meeting, and all shares may be traded after the record date.**

Thank you in advance for your vote.

Sincerely,



A handwritten signature in black ink, appearing to read "Chad Deaton", written in a cursive style.

CHADWICK C. DEATON
Chair of the Board of Directors



A handwritten signature in black ink, appearing to read "J. Thigpen", written in a cursive style.

JEREMY D. THIGPEN
Chief Executive Officer

March 21, 2023

PROXY STATEMENT SUMMARY

2023 ANNUAL GENERAL MEETING DETAILS



WHEN

Thursday, May 11, 2023
6:30 p.m., Swiss time



WHERE

Parkhotel Zug
Industriestrasse 14
6304 Zug, Switzerland



RECORD DATE

April 24, 2023

VOTING INFORMATION



BY PHONE

Registered Holders
(shares are registered in your own name)

On a touch-tone telephone, call toll-free: +1 (800) 690-6903 24/7, and follow the instructions.

You will need the 16-digit control number that is included in the voting instructions form that is sent to you.

You will be able to confirm that the telephonic system has properly recorded your votes.



BY INTERNET

Go to www.proxyvote.com 24/7, and follow the instructions.

You will need the 16-digit control number that is included in the voting instructions form that is sent to you.

The internet system allows you to confirm that the system has properly recorded your voting instructions.



BY MAIL

Complete, date, sign and return your proxy card in the postage-paid envelope.

Do not mail the proxy card if you are submitting voting instructions over the internet or by telephone.



BY MOBILE DEVICE

Scan the QR code, which can be found on your voting instructions form that is sent to you.



Beneficial Owners
(shares are held "in street name" in a stock brokerage account or by a bank, nominee or other holder of record)

On a touch-tone telephone, call toll-free: +1 (800) 690-6903 24/7, and follow the instructions.

You will need the 16-digit control number that is included in the voting instructions form that is sent to you.

You will be able to confirm that the telephonic system has properly recorded your votes.

Go to www.proxyvote.com 24/7, and follow the instructions.

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The internet system allows you to confirm that the system has properly recorded your voting instructions.

Complete, date, sign and return your voting information form.

Do not mail the voting instruction form if you are submitting voting instructions over the internet or by telephone.

Scan the QR code, which can be found on your voting instructions form that is sent to you.



YOUR VOTE IS IMPORTANT

Even if you plan to attend the 2023 Annual General Meeting, you are encouraged to submit your voting instructions over the internet, by telephone or by mail as soon as possible prior to the meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2023 ANNUAL GENERAL MEETING TO BE HELD ON MAY 11, 2023

Our proxy statement and 2022 Annual Report are available at www.proxyvote.com or on our website investor.deepwater.com under “Financial Reports — Annual and Quarterly Reports.” Information contained on or accessible from our website is not incorporated by reference into this proxy statement and should not be considered a part of this report or any other filing that we make with the SEC. Furthermore, references to our website URLs are intended to be inactive textual references only.

Shareholders registered in our share register on the record date have the right to vote their shares at the 2023 Annual General Meeting. Such shareholders may designate proxies to vote their shares by submitting their proxy electronically over the internet, by telephone or, if they request that the proxy materials be mailed to them, by completing, signing and returning the proxy card enclosed with those materials. Please review the voting instructions in the proxy statement for each of these methods.

Shareholders who hold their shares in the name of a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee for voting their shares, including whether they may submit voting instructions by mail, telephone or over the internet.

All dollar figures in this proxy statement are in U.S. dollars unless otherwise denoted.

COMPANY OVERVIEW AND 2022 STRATEGY AND PERFORMANCE

Transocean is a leading international provider of offshore contract drilling services for oil and gas wells. We specialize in technically demanding sectors of the global offshore drilling business with a particular focus on ultra-deepwater and harsh environment drilling services. Our drilling fleet is one of the most versatile fleets in the world, consisting of drillships and semisubmersible floaters.

Transocean's fleet of 37 mobile offshore drilling units consists of 27 ultra-deepwater floaters and 10 harsh environment floaters. In addition, as of February 9, 2023, Transocean was constructing one ultra-deepwater drillship and held a noncontrolling ownership interest in a company that is constructing one ultra-deepwater drillship. The below graphic shows the global market presence of our operating fleet as of our Fleet Status Report issued on February 9, 2023.



With the offshore industry's largest high-specification floating fleet, and a steadfast focus on incident-free operations and superior well construction, we believe that we are best-positioned to support our customers in the delivery of their operational and business objectives, which will ultimately translate into superior returns for our shareholders.

In 2022, we delivered exceptional operational performance. Importantly, we delivered a total recordable incident rate of 0.21, beating our target of 0.24. We also delivered uptime of 97% across our global fleet. We delivered this result with a fleet of floaters that are focused exclusively on ultra-deepwater and harsh environment operations, which present the most challenging operational conditions.

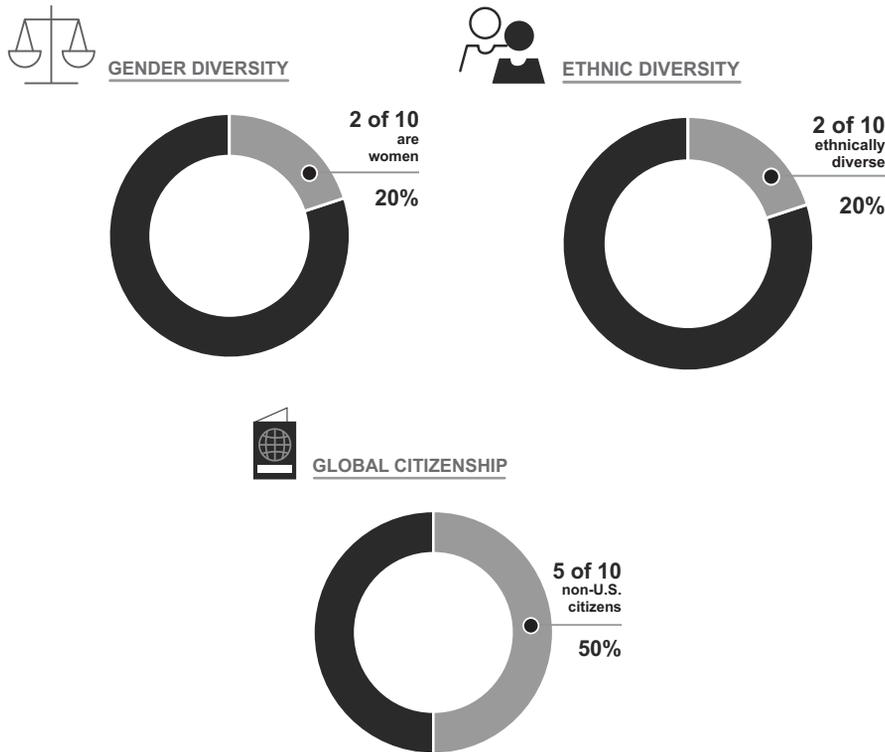
We believe demand for hydrocarbons will continue to play an important role in supplying the world's energy for the foreseeable future. The ongoing energy expansion will require all sources of energy, including hydrocarbons and renewables, to meet growing global energy demand.

NOMINEES TO THE BOARD OF DIRECTORS

As the market leader in offshore drilling, Transocean has attracted the most qualified Board of Directors and leadership team in the industry. The current terms of all of our directors will expire at the 2023 Annual General Meeting.

In recent years, we have added new members to our Board of Directors, each of whom contributes to the diversity of experience and background of our Board of Directors. This year, Domenic J. “Nick” Dell’Osso, Jr. the President and Chief Executive Officer of Chesapeake Energy, has been nominated for election to the Company’s board. Diane de Saint Victor, ABB Ltd’s former General Counsel and Company Secretary, is leaving the Company’s board. She was first elected as a director in 2020 and the Company appreciates her years of service.

Each of our director nominees has a proven record of success and high integrity, and is committed to advancing our stakeholders’ interests and enhancing the Company’s sustainability goals and objectives. The diversity of our non-executive directors is reflected below.



During 2022, each of our directors attended at least 75% of the Board of Directors meetings and meetings of committees on which they served.

Additional information regarding the director nominees for election is provided below and under Agenda Item 6.

PROXY STATEMENT SUMMARY

DIRECTORS FOR ELECTION	AGE	DIRECTOR SINCE	INDEPENDENT	COMMITTEES					HEALTH, SAFETY, ENVIRONMENTAL AND SUSTAINABILITY	OTHER CURRENT PUBLIC COMPANY BOARDS
				AUDIT	COMPENSATION	FINANCE	CORPORATE GOVERNANCE			
 Glyn A. Barker Former Vice Chair-U.K., PwC LLP	69	2012	✓						3	
 Vanessa C.L. Chang Former Director and Shareholder of EL & EL Investments	70	2012	✓						1	
 Frederico F. Curado Former CEO, Ultrapar S.A.	61	2013	✓						2	
 Chadwick C. Deaton Former Executive Chair and CEO, Baker Hughes Incorporated	70	2012	✓						1	
 Domenic J. "Nick" Dell'Osso, Jr. President and Chief Executive Officer, Chesapeake Energy	46	Nominee	✓						1	
 Vincent J. Intrieri Founder and CEO, VDA Capital Management LLC	66	2014	✓						1	
 Samuel J. Merksamer Partner, Softbank Investment Advisers	42	2013	✓						2	
 Frederik W. Mohn Owner and Managing Director, Perestroika AS; former Director and Chair, Songa Offshore SE	46	2018	✓						1	
 Edward R. Muller Former Chair and CEO, GenOn Energy, Inc.; former Vice Chair, NRG Energy, Inc.	70	2008	✓						1	
 Margareth Øvrum Former Executive Vice President for Equinor Development and Production Brazil	64	2021	✓						3	
 Jeremy D. Thigpen CEO, Transocean Ltd.	48	2015							0	
MEETINGS IN 2022: BOARD: 4 BOARD AND COMMITTEES: 28				8	4	4	4	4		



Committee Chair



Committee Member



Audit Committee financial expert (SEC and NYSE)



Independent, as determined by the Board of Directors in accordance with applicable rules and regulations

GOVERNANCE HIGHLIGHTS

Our Board of Directors believes that strong corporate governance practices promote long-term shareholder interests and strengthen Board and management accountability. The Board continues to monitor evolving governance standards and enhance our governance practices to serve Transocean shareholders. Key features of the Company's corporate governance program include:

- Independent Board Chair
- Highly independent Board
- Independent Committees
- Annual director elections
- One share, one vote – no dual-class stock
- Shareholder right to call special meetings
- Shareholder proxy access
- Annual performance evaluations of the Board of Directors, the Committees and individual directors
- Retirement age and term limits
- No poison pill
- No hedging or pledging company stock by directors or executives
- No blank check preferred stock

ACTIVE SHAREHOLDER ENGAGEMENT PROGRAM

As part of our ongoing shareholder engagement program, our Board of Directors and management team are committed to meeting with our shareholders and incorporating their feedback into our decision-making processes. During 2022, in addition to ongoing investor engagement through direct one-on-one meetings and non-deal road shows with equity analysts, we participated in nine conferences. Our Chief Executive Officer, Chief Financial Officer, General Counsel, Treasurer and Investor Relations team participated in many of these engagements. We also continued our long-standing, proactive shareholder engagement program to discuss recent developments and to solicit investor feedback on our corporate governance and sustainability practices. During 2022, we engaged with shareholders representing more than 20% of our outstanding shares. All feedback received during our engagements is shared directly with the Board of Directors and has helped inform disclosures and policies on governance, compensation, sustainability and information security.

KEY FEATURES OF EXECUTIVE COMPENSATION PROGRAM

Our executive compensation program reflects our commitment to retain and attract highly qualified executives and align our executives' pay with performance. The elements of our program are designed to motivate our executives to achieve our overall business objectives, create sustainable shareholder value in a cost-effective manner and reward our management team for delivering superior financial, safety and operational performance, each of which is important to the long-term success of the Company. Our executive compensation program

PROXY STATEMENT SUMMARY

includes features that align the interests of our senior management with those of our shareholders and does not include features that may result in misalignment.

WHAT WE DO

- ✓ Conduct an annual review of our compensation strategy, including a review of our compensation-related risk profile
- ✓ Mandate meaningful share ownership requirements for our executives
- ✓ Maintain a clawback policy that allows for the forfeiture, recovery or adjustment of incentive compensation (cash and equity) in cases of financial restatement or violations of our Code of Integrity
- ✓ Base annual and long-term incentive performance on quantitative, formulaic metrics
- ✓ Maintain compensation plans that are weighted significantly toward variable pay to align our executive compensation with long-term shareholder interests
- ✓ Link long-term incentive compensation to relative performance metrics
- ✓ Deliver at least 50% of long-term incentives in performance-based awards
- ✓ Cap the earning of PSUs at target if the Company's absolute TSR is less than negative 15%
- ✓ Cap the overall PSU payouts to prevent unintended windfalls
- ✓ Retain an independent consultant who reports only to our Compensation Committee (not management)
- ✓ Maintain double trigger change-in-control provisions

WHAT WE DON'T DO

- ✗ Allow our executives to hedge, sell short or hold derivative instruments tied to our shares (other than derivative instruments issued by us)
- ✗ Allow our executives or directors to pledge Company shares
- ✗ Have pre-arranged individual severance agreements or special change-in-control compensation agreements with any Executive Officers; however, to the extent permitted under Swiss law, our executives are eligible for severance and change-in-control provisions pursuant to our policies, in exchange for covenants that protect the Company
- ✗ Provide gross-ups for severance payments
- ✗ Guarantee salary increases, non-performance based bonuses or unrestricted equity compensation
- ✗ Provide any payments or reimbursements for tax equalization
- ✗ Pay dividends or dividend equivalents on performance-based equity that has not vested
- ✗ Offer executive perquisites

SUSTAINABILITY HIGHLIGHTS

The development of traditional oil and gas resources in tandem with renewables – what we term the “energy expansion” – has gained importance in light of growing global energy needs. We are committed to doing our part – delivering safe, efficient, reliable and responsible operations. To that end, we prioritize recruitment and retention of skilled, qualified and capable personnel and invest in the training and development of our teams. Further, we continue to fund our innovation and technology programs to enhance the value of our services through improvements to safety, equipment performance, and fuel efficiency. Additionally, we have invested in two companies pursuing the exploration of deep-sea polymetallic nodules containing metals critical to the growing renewable energy market.

Highlights of our sustainability efforts over the past year include:

- We took delivery of two eighth-generation drillships, outfitted with state-of-the-art, energy-efficient equipment and capable of drilling and completing wells that were previously infeasible from either a technical or commercial standpoint.
- We successfully launched an offshore robotic riser system on two of our rigs, eliminating the need for personnel to be present on the drill floor during riser operations, increasing safety and efficiency.
- We incorporated sustainability – with a 20% weighting – into our 2022 annual bonus plan, with metrics tied to personal safety globally and emissions intensity reductions in our Norway fleet. We surpassed our target for both measures. Bolstered by strong local government and customer support, we invested a significant portion of our emissions reduction budget across our Norway fleet and aligned our bonus plan goal accordingly. The sustainability objectives in our 2023 bonus plan are expanded to our global fleet.
- We launched a new behavior safety observation program that enables near real-time data collection to evaluate the effectiveness of each location’s safe work practices.
- We operate a 24-hour, seven day a week Critical Operations Monitoring and Verification Center in Houston. The center provides remote verifications required during critical key offshore activities in real-time. The verification process reduces the likelihood of human error while conducting critical operations and supports the Company’s effort to drive Operational Discipline, reduce the likelihood of process safety events and drive consist, repeatable, reliable operations across our fleet.
- We invested in a company pursuing exploration of polymetallic seabed nodules containing minerals needed to support the growing renewable energy market.
- We included a module on Human Rights in our annual Legal, Compliance and Ethics Training to ensure all employees, including management, are equipped with a fundamental understanding of protecting human rights, including taking all reasonable measures to avoid contributing to adverse human rights impacts, and how to identify and report potential issues encountered in work and personal lives.
- Our 36-month offshore development program that focuses on building drilling skills and competencies, especially among underrepresented groups, had its first graduate during the past year with 10 other participants enrolled in the global program.
- As pandemic restrictions eased, we introduced a hybrid work schedule for our onshore teams, promoting collaboration and employee engagement while continuing to promote flexibility and work-life balance.
- We continued to diligently monitor the COVID-19 pandemic and implemented safety protocols necessary to safeguard our workforce and to minimize operational disruptions.

INVITATION TO 2023 ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.



WHEN

Thursday, May 11, 2023
6:30 p.m., Swiss time



WHERE

Parkhotel Zug
Industriestrasse 14
6304 Zug, Switzerland

AGENDA ITEMS

ITEM	DESCRIPTION	PROPOSAL OF THE BOARD OF DIRECTORS	BOARD RECOMMENDATION
1	Reallocation of CHF 9.5 Billion of Free Capital Reserves from Capital Contribution to Statutory Capital Reserves from Capital Contribution	The Board of Directors proposes that CHF 9.5 billion of free capital reserves from capital contribution be reallocated to statutory capital reserves from capital contribution.	✓ FOR
2	Approval of (A) the 2022 Annual Report, Including the Audited Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2022 and the Audited Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2022 and (B) the Swiss Statutory Compensation Report for Fiscal Year 2022		
2A	Approval of the 2022 Annual Report, Including the Audited Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2022 and the Audited Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2022	The Board of Directors proposes that the 2022 Annual Report, including the audited consolidated financial statements of Transocean Ltd. for fiscal year 2022 and the audited statutory financial statements of Transocean Ltd. for fiscal year 2022, be approved.	✓ FOR
2B	Advisory Vote to Approve Swiss Statutory Compensation Report for Fiscal Year 2022	The Board of Directors proposes that the Company's Swiss Statutory Compensation Report for the fiscal year ended December 31, 2022, be approved on an advisory (non-binding) basis.	✓ FOR
3	Discharge of the Members of the Board of Directors and the Executive Management Team from Liability for Activities During Fiscal Year 2022	The Board of Directors proposes that the members of the Board of Directors and Messrs. Jeremy D. Thigpen, Mark L. Mey and Keelan I. Adamson, who served as members of our Executive Management Team in 2022, be discharged from liability for activities during fiscal year 2022.	✓ FOR

INVITATION TO 2023 ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.

ITEM	DESCRIPTION	PROPOSAL OF THE BOARD OF DIRECTORS	BOARD RECOMMENDATION														
4	Appropriation of the Accumulated Loss for Fiscal Year 2022	<p>The Board of Directors proposes that the accumulated loss of the Company be carried forward.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">APPROPRIATION OF ACCUMULATED LOSS</th> <th style="text-align: right; border-bottom: 1px solid black;">IN CHF THOUSANDS</th> </tr> </thead> <tbody> <tr> <td>Balance brought forward from previous years</td> <td style="text-align: right;">(11,411,447)</td> </tr> <tr> <td>Net loss of the year</td> <td style="text-align: right;">(49,091)</td> </tr> <tr> <td>Total accumulated loss</td> <td style="text-align: right;">(11,460,538)</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <th style="text-align: left; border-bottom: 1px solid black;">APPROPRIATION OF ACCUMULATED LOSS</th> <th></th> </tr> <tr> <td>Balance to be carried forward on this account</td> <td style="text-align: right;">(11,460,538)</td> </tr> </tbody> </table>	APPROPRIATION OF ACCUMULATED LOSS	IN CHF THOUSANDS	Balance brought forward from previous years	(11,411,447)	Net loss of the year	(49,091)	Total accumulated loss	(11,460,538)	 		APPROPRIATION OF ACCUMULATED LOSS		Balance to be carried forward on this account	(11,460,538)	✓ FOR
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Total accumulated loss	(11,460,538)																
APPROPRIATION OF ACCUMULATED LOSS																	
Balance to be carried forward on this account	(11,460,538)																
5	Approval of Shares Authorized for Issuance	The Board of Directors proposes that its authority to issue shares using a general capital authorization be approved and any share issuances thereunder be limited to 159,449,067 shares, representing approximately 20% of the Company's issued shares as of March 16, 2023, for a one-year period expiring on May 11, 2024.	✓ FOR														
6	Election of 11 Directors, Each for a Term Extending Until Completion of the Next Annual General Meeting	<p>The Board of Directors has nominated the following candidates for election to the Board of Directors of the Company, each for a term extending until completion of the next annual general meeting.</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr><td style="border-bottom: 1px solid black;">6A Election of Glyn A. Barker as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6B Election of Vanessa C.L. Chang as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6C Election of Frederico F. Curado as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6D Election of Chadwick C. Deaton as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6E Election of Domenic J. "Nick" Dell'Osso, Jr. as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6F Election of Vincent J. Intriери as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6G Election of Samuel J. Merksamer as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6H Election of Frederik W. Mohn as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6I Election of Edward R. Muller as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6J Election of Margareth Øvrum as a director.</td></tr> <tr><td style="border-bottom: 1px solid black;">6K Election of Jeremy D. Thigpen as a director.</td></tr> </tbody> </table>	6A Election of Glyn A. Barker as a director.	6B Election of Vanessa C.L. Chang as a director.	6C Election of Frederico F. Curado as a director.	6D Election of Chadwick C. Deaton as a director.	6E Election of Domenic J. "Nick" Dell'Osso, Jr. as a director.	6F Election of Vincent J. Intriери as a director.	6G Election of Samuel J. Merksamer as a director.	6H Election of Frederik W. Mohn as a director.	6I Election of Edward R. Muller as a director.	6J Election of Margareth Øvrum as a director.	6K Election of Jeremy D. Thigpen as a director.	✓ FOR			
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6K Election of Jeremy D. Thigpen as a director.																	
7	Reelection of the Chair of the Board of Directors for a Term Extending Until Completion of the Next Annual General Meeting	The Board of Directors proposes that Chadwick C. Deaton be reelected as the Chair of the Board of Directors for a term extending until completion of the next annual general meeting, subject to his election as a member of the Board of Directors.	✓ FOR														
8	Reelection of the Members of the Compensation Committee, Each for a Term Extending Until Completion of the Next Annual General Meeting	The Board of Directors proposes that the following three candidates be reelected as members of the Compensation Committee, each for a term extending until completion of the next annual general meeting, subject in each case to such candidate's election as a member of the Board of Directors:	✓ FOR Each Nominee														

INVITATION TO 2023 ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.

ITEM	DESCRIPTION	PROPOSAL OF THE BOARD OF DIRECTORS	BOARD RECOMMENDATION
		<p>8A Reelection of Glyn A. Barker as a member of the Compensation Committee.</p> <p>8B Reelection of Vanessa C.L. Chang as a member of the Compensation Committee.</p> <p>8C Reelection of Samuel J. Merksamer as a member of the Compensation Committee.</p>	
9	Reelection of the Independent Proxy for a Term Extending Until Completion of the Next Annual General Meeting	The Board of Directors proposes that Schweiger Advokatur / Notariat be reelected to serve as independent proxy at (and until completion of) the 2024 Annual General Meeting and at any extraordinary general meeting of shareholders of the Company that may be held prior to the 2024 Annual General Meeting.	✓ FOR
10	Appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2023 and Reelection of Ernst & Young Ltd, Zurich, as the Company's Auditor for a Further One-Year Term	The Board of Directors proposes that Ernst & Young LLP be appointed as Transocean Ltd.'s independent registered public accounting firm for the fiscal year 2023 and that Ernst & Young Ltd, Zurich, be elected as Transocean Ltd.'s auditor pursuant to the Swiss Code of Obligations (the "Swiss Code") for a further one-year term, commencing on the day of election at the 2023 Annual General Meeting and terminating on the day of the 2024 Annual General Meeting.	✓ FOR
11	Advisory Vote to Approve Named Executive Officer Compensation for Fiscal Year 2023	Pursuant to Section 14A of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), shareholders are entitled to cast an advisory vote on the Company's executive compensation program for the Company's Named Executive Officers. Detailed information regarding the Company's compensation program for its Named Executive Officers is set forth in the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative disclosure in this proxy statement. The Board of Directors believes the Company's compensation program is designed to reward performance that creates long term value for the Company's shareholders. The Board of Directors has proposed a resolution that provides shareholders with the opportunity to endorse or not endorse the Company's Named Executive Officer compensation program as described in the proxy statement for the Company's 2023 Annual General Meeting.	✓ FOR
12	Advisory Vote to Approve Frequency of Named Executive Officer Compensation Vote	As required by Section 14A of the Exchange Act, the Board of Directors proposes that shareholders be provided with an advisory vote on whether the advisory vote on the compensation of the Company's Named Executive Officers should occur every year, every two years or every three years.	✓ FOR Every Year
13	Prospective Vote on the Maximum Compensation of (A) the Board of Directors and (B) the Executive Management Team		

INVITATION TO 2023 ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.

ITEM	DESCRIPTION	PROPOSAL OF THE BOARD OF DIRECTORS	BOARD RECOMMENDATION
13A	Ratification of the Maximum Aggregate Amount of Compensation of the Board of Directors for the Period Between the 2023 Annual General Meeting and the 2024 Annual General Meeting	The Board of Directors proposes that the shareholders ratify an amount of \$4,121,000 as the maximum aggregate amount of compensation of the Board of Directors for the period between the 2023 Annual General Meeting and the 2024 Annual General Meeting.	✓ FOR
13B	Ratification of the Maximum Aggregate Amount of Compensation of the Executive Management Team for Fiscal Year 2024	The Board of Directors proposes that the shareholders ratify an amount of \$26,000,000 as the maximum aggregate amount of compensation of the Executive Management Team for fiscal year 2024.	✓ FOR
14	Approval of (A) Amendment to Transocean Ltd. 2015 Long-Term Incentive Plan and (B) Capital Authorization for Share-Based Incentive Plans		
14A	Approval of Amendment and Restatement of Transocean Ltd. 2015 Long-Term Incentive Plan	The Board of Directors proposes that shareholders approve the Amendment and Restatement of Transocean Ltd. 2015 Long-Term Incentive Plan.	✓ FOR
14B	Approval of Capital Authorization for Share-Based Incentive Plans	The Board of Directors proposes that shareholders approve a Capital Authorization for Share-Based Incentive Plans.	✓ FOR
15	Approval of Amendments to Articles of Association to Reflect New Swiss Corporate Law and Make Certain Related Changes	The Board of Directors proposes that shareholders approve amendments to the Company's Articles of Association regarding shareholder rights, general meeting matters and related matters to align them with the changes introduced to Swiss corporate law effective on January 1, 2023 and make certain other changes.	✓ FOR

ORGANIZATIONAL MATTERS

A copy of the Notice is being sent to each shareholder registered in Transocean Ltd.'s share register as of the close of business on March 17, 2023. Any additional shareholders who are registered in Transocean Ltd.'s share register as of the close of business on April 24, 2023, will receive after that date a copy of the proxy materials, including a proxy card. Shareholders not registered in Transocean Ltd.'s share register as of April 24, 2023, will not be entitled to vote or grant proxies to vote at the 2023 Annual General Meeting. While no shareholder will be entered in Transocean Ltd.'s share register as a shareholder with voting rights between the close of business on April 24, 2023, and the opening of business on the day following the 2023 Annual General Meeting, **share blocking and re-registration are not requirements for any shares of Transocean Ltd. to be voted at the meeting, and all shares may be traded after the record date.** Computershare, which maintains Transocean Ltd.'s share register, will continue to register transfers of Transocean Ltd. shares in the share register in its capacity as transfer agent during this period.

Shareholders registered in Transocean Ltd.'s share register as of April 24, 2023, have the right to vote their shares at the 2023 Annual General Meeting, or may grant a proxy to vote on each of the proposals in this invitation and any modification to any agenda item or proposal identified in this invitation or other matter on which voting is permissible under Swiss law and which is properly presented at the 2023 Annual General Meeting for consideration. Such shareholders may designate proxies to vote their shares electronically over the internet, by telephone or, if they request that the proxy materials be mailed to them, by completing, signing and returning the proxy card enclosed with those materials at the 2023 Annual General Meeting.

INVITATION TO 2023 ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.

We urge you to submit your voting instructions electronically over the internet, by telephone or return the proxy card as soon as possible. All electronic voting instructions or proxy cards must be received no later than 11:59 p.m. Eastern Daylight Time on Wednesday, May 10, 2023 (5:59 a.m. Swiss time on Thursday, May 11, 2023) unless extended by the Company.

If you have timely submitted electronic voting instructions, telephone instructions or a properly executed proxy card, your shares will be voted by the independent proxy in accordance with your instructions. **Holders of shares who have timely submitted their proxy, but have not specifically indicated how to vote their shares, will be deemed to have instructed the independent proxy to vote in accordance with the recommendations of the Board of Directors with regard to the items listed in the notice of meeting. If any modifications to agenda items or proposals identified in this invitation or other matters on which voting is permissible under Swiss law are properly presented at the 2023 Annual General Meeting for consideration, you will be deemed to have instructed the independent proxy, in the absence of other specific instructions, to vote in accordance with the recommendations of the Board of Directors.**

As of the date of this proxy statement, the Board of Directors is not aware of any such modifications or other matters proposed to come before the 2023 Annual General Meeting.

Shareholders who hold their shares in the name of a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee for voting their shares, including whether they may submit voting instructions by mail, telephone or over the internet.

Shareholders may grant proxies to any third party. Such third party need not be a shareholder.

Information concerning the 2023 Annual General Meeting can be obtained by contacting:



OUR
CORPORATE
SECRETARY
AT OUR
REGISTERED
OFFICE
Transocean Ltd.
Attention: Corporate Secretary
Turmstrasse 30
6312 Steinhausen, Switzerland



INVESTOR
RELATIONS AT
OUR OFFICES
IN THE UNITED
STATES
Transocean Ltd.
Attention: Investor Relations
1414 Enclave Parkway
Houston, Texas 77077
USA



TELEPHONE
NUMBER
+41 (41) 749-0500



TELEPHONE
NUMBER
+1 (713) 232-7500

ANNUAL REPORT, CONSOLIDATED FINANCIAL STATEMENTS, STATUTORY FINANCIAL STATEMENTS

A copy of the 2022 Annual Report (including the consolidated financial statements for fiscal year 2022, the statutory financial statements of Transocean Ltd. for fiscal year 2022 and the audit reports on such consolidated and statutory financial statements) and the 2022 Swiss Compensation Report is available for physical inspection at our registered office:



Transocean Ltd.
Turmstrasse 30
6312 Steinhausen, Switzerland

Copies of these materials may be obtained without charge by contacting:



OUR
CORPORATE
SECRETARY
AT OUR
REGISTERED
OFFICE
Transocean Ltd.
Attention: Corporate Secretary
Turmstrasse 30
6312 Steinhausen, Switzerland



INVESTOR
RELATIONS AT
OUR OFFICES
IN THE UNITED
STATES
Transocean Ltd.
Attention: Investor Relations
1414 Enclave Parkway
Houston, Texas 77077
USA

INVITATION TO 2023 ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.



TELEPHONE
NUMBER

+41 (41) 749-0500



TELEPHONE
NUMBER

+1 (713) 232-7500

On behalf of the Board of Directors,

CHADWICK C. DEATON
Chair of the Board of Directors

Steinhausen, Switzerland
March 21, 2023

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

YOUR VOTE IS IMPORTANT

You may designate a proxy to vote your shares by submitting your voting instructions electronically over the internet, by calling the toll-free number or, if you requested a printed copy of the proxy materials, by completing, signing and returning by mail the proxy card you will receive in response to your request. Please review the instructions in the Notice of Internet Availability of Proxy Materials and the proxy statement.

Shareholders who hold their shares in the name of a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee for voting their shares, including whether they may submit voting instructions by mail, telephone or over the internet.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2023 ANNUAL GENERAL MEETING TO BE HELD ON MAY 11, 2023

Our proxy statement and 2022 Annual Report are available at www.proxyvote.com or on our website investor.deepwater.com under “Financial Reports — Annual and Quarterly Reports.” Information contained on or accessible from our website is not incorporated by reference into this proxy statement and should not be considered a part of this report or any other filing that we make with the SEC. Furthermore, references to our website URLs are intended to be inactive textual references only.

PROXY STATEMENT



WHEN

Thursday, May 11,
2023
6:30 p.m., Swiss time



WHERE

Parkhotel Zug
Industriestrasse 14
6304 Zug, Switzerland



RECORD DATE

April 24, 2023

INFORMATION ABOUT THE MEETING AND VOTING

This proxy statement is furnished in connection with the solicitation of proxies by Transocean Ltd., on behalf of the Board of Directors, to be voted at our 2023 Annual General Meeting to be held on May 11, 2023, at 6:30 p.m., Swiss time, at the Parkhotel Zug, Industriestrasse 14, 6304 Zug, Switzerland. The Notice or proxy statement and form of proxy, as appropriate, are first being mailed to shareholders on or about March 17, 2023.

RECORD DATE

Only shareholders of record on April 24, 2023, are entitled to notice of and to grant proxies to vote at, the 2023 Annual General Meeting. No shareholder will be entered in Transocean Ltd.'s share register with voting rights between the close of business on April 24, 2023, and the opening of business on the day following the 2023 Annual General Meeting.

While no shareholder will be entered in Transocean Ltd.'s share register as a shareholder with voting rights between the close of business on April 24, 2023, and the opening of business on the day following the 2023 Annual General Meeting, **share blocking and re-registration are not requirements for any shares of Transocean Ltd. to be voted at the meeting, and all shares may be traded after the record date.** Computershare, which maintains Transocean Ltd.'s share register, will continue to register transfers of Transocean Ltd. shares in the share register in its capacity as transfer agent during this period.

QUORUM

Our Articles of Association provide that the presence of shareholders, in person or by proxy, holding at least a majority of all the shares entitled to vote at the time the meeting proceeds to business constitutes a quorum for purposes of convening the 2023 Annual General Meeting and voting on all of the matters described in the notice of meeting. Abstentions and "broker non-votes" will be counted as present for purposes of determining whether the relevant quorums at the meeting are satisfied, so long as the broker has discretion to vote the shares on at least one matter before the 2023 Annual General Meeting.

VOTES REQUIRED

The following table sets forth the applicable vote standard required to pass each enumerated agenda item:

AGENDA ITEM	DESCRIPTION	RELATIVE MAJORITY ⁽¹⁾	TWO-THIRDS MAJORITY	PLURALITY OF VOTES
1	Reallocation of CHF 9.5 Billion of Free Capital Reserves from Capital Contribution to Statutory Capital Reserves from Capital Contribution	✓		
2	Approval of (A) the 2022 Annual Report, Including the Audited Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2022 and Audited Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2022 and (B) the Swiss Statutory Compensation Report for Fiscal Year 2022	✓		
3	Discharge of the Members of the Board of Directors and the Executive Management Team from Liability for Activities During Fiscal Year 2022	✓ ⁽²⁾		
4	Appropriation of the Accumulated Loss for Fiscal Year 2022	✓		
5	Approval of Shares Authorized for Issuance		✓ ⁽³⁾	
6	Election of 11 Directors			✓ ⁽⁴⁾⁽⁵⁾
7	Reelection of the Chair of the Board of Directors			✓ ⁽⁴⁾
8	Reelection of the Members of the Compensation Committee			✓ ⁽⁴⁾
9	Reelection of the Independent Proxy	✓		
10	Appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2023 and Reelection of Ernst & Young Ltd, Zurich, as the Company's Auditor for a Further One-Year Term	✓		
11	Advisory Vote to Approve Named Executive Officer Compensation for Fiscal Year 2023	✓ ⁽⁶⁾		
12	Advisory Vote to Approve Frequency of Named Executive Officer Compensation Vote	✓ ⁽⁶⁾		
13	Prospective Vote on the Maximum Compensation of the (A) Board of Directors and (B) the Executive Management Team	✓		
14A	Approval of Amendment and Restatement of Transocean Ltd. 2015 Long-Term Incentive Plan	✓		

14B	Approval of Capital Authorization for Share-Based Incentive Plans	✓ ⁽³⁾
15	Approval of Amendments to Articles of Association to Reflect New Swiss Corporate Law and Make Certain Related Changes	✓

- (1) Affirmative vote of a simple majority of the votes cast at the 2023 Annual General Meeting on the applicable agenda item. Abstentions, broker non-votes (if any) or blank or invalid ballots are not counted for such purposes and have no impact on the approval of such agenda item.
- (2) Affirmative vote of a simple majority of the votes cast at the 2023 Annual General Meeting on the applicable agenda item. Shares held by members of the Board of Directors and members of the Company's Executive Management Team are not entitled to vote on this matter and are not counted for this agenda item. Abstentions, broker non-votes (if any) or blank or invalid ballots are not counted for such purposes and have no impact on the approval of such agenda item.
- (3) The affirmative vote of at least two-thirds of the shares represented at the 2023 Annual General Meeting and entitled to vote on that agenda item. An abstention, blank or invalid ballot will have the effect of a vote "AGAINST" this proposal.
- (4) Affirmative vote of a plurality of the votes cast at the 2023 Annual General Meeting. The plurality requirement means that the nominee who receives the largest number of votes for a position as a director, or the Chair or a position on the Compensation Committee, as applicable, is elected to that position. Only votes "FOR" are counted in determining whether a plurality has been cast in favor of a nominee. Abstentions, broker non-votes, blank or invalid ballots are not counted for such purposes and shall have no impact on the election of such nominees. As described later in this proxy statement, our Corporate Governance Guidelines set forth our procedures if a nominee for director is elected but does not receive more votes cast "FOR" than "AGAINST" the nominee's election.
- (5) Even if a nominee receives a plurality of votes that nominee may not ultimately serve as a director if the nominee does not receive more votes cast "FOR" than "AGAINST" the nominee's election, and the Company's Board of Directors accepts the resignation of the nominee pursuant to the Company's majority vote policy, as described later in this proxy statement.
- (6) The proposal is an advisory vote; as such, the vote is not binding on the Company.

OUTSTANDING SHARES

As of March 16, 2023, there were 731,847,899 Transocean Ltd. shares deemed to be outstanding, which exclude 65,397,436 shares held by our subsidiary as of such date and any shares issued into treasury after such date. Only registered holders of our shares on April 24, 2023, the record date established for the 2023 Annual General Meeting, are entitled to notice of and to vote at the meeting. Holders of shares on the record date are entitled to one vote for each share held.

VOTING PROCEDURES

A copy of the Notice of Internet Availability of Proxy Materials is being sent to each shareholder registered in Transocean Ltd.'s share register as of the close of business on March 17, 2023. Any additional shareholders who are registered in Transocean Ltd.'s share register as of the close of business on April 24, 2023, but who were not registered in the share register as of March 17, 2023, will receive a copy of the proxy materials, including a proxy card, as soon as practicable after April 24, 2023. Shareholders not registered in Transocean Ltd.'s share register as of April 24, 2023, will not be entitled to vote or grant proxies to vote at the 2023 Annual General Meeting.

If you are registered as a shareholder in Transocean Ltd.'s share register as of April 24, 2023, or if you hold shares of Transocean Ltd. in "street name" as of such date, you may grant a proxy to vote on each of the proposals and any modification to any of the proposals or other matter on which voting is permissible under Swiss law and which is properly presented at the meeting for consideration in one of the following ways:



BY INTERNET

Go to www.proxyvote.com 24 hours a day, seven days a week, and follow the instructions. You will need the 16-digit control number that is included in the Notice, proxy card or voting instructions form that is sent to you. The internet system allows you to confirm that the system has properly recorded your voting instructions. This method of submitting voting instructions will be available up until 11:59 p.m. Eastern Daylight Time on Wednesday, May 10, 2023 (5:59 a.m. Swiss time on Thursday, May 11, 2023) unless extended by the Company.



BY TELEPHONE

On a touch-tone telephone, call toll-free +1 (800) 690-6903, 24 hours a day, seven days a week, and follow the instructions. You will need the 16-digit control number that is included in the Notice, proxy card or voting instructions form that is sent to you. As with the internet system, you will be able to confirm that the telephonic system has properly recorded your votes. This method of submitting voting instructions will be available up until 11:59 p.m. Eastern Daylight Time on Wednesday, May 10, 2023 (5:59 a.m. Swiss time on Thursday, May 11, 2023) unless extended by the Company. If you are a holder of record, you cannot vote by telephone.



BY MAIL

Mark, date and sign your proxy card exactly as your name appears on the card and return it by mail to:



Transocean 2023 AGM
Vote Processing
c/o Broadridge
51 Mercedes Way
Edgewood, NY 11717
USA

or



Transocean 2023 AGM
Vote Processing
Schweiger Advokatur / Notariat
Dammstrasse 19
6300 Zug
Switzerland

All proxy cards must be received no later than 11:59 p.m. Eastern Daylight Time on Wednesday, May 10, 2023 (5:59 a.m. Swiss time on Thursday, May 11, 2023) unless extended by the Company. Do not mail the proxy card or voting instruction form if you are submitting voting instructions over the internet or by telephone.

YOUR VOTE IS IMPORTANT.

We encourage you to submit your voting instructions over the internet, by telephone, or by mail prior to the meeting.

If you hold your shares in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee for voting your shares, including whether you may submit voting instructions by mail, telephone or over the internet.

Many of our shareholders hold their shares in more than one account and may receive more than one Notice. To ensure that all of your shares are represented at the 2023 Annual General Meeting, please submit your voting instructions for each account.

Under NYSE rules, brokers who hold shares in street name for customers, such that the shares are registered on the books of the Company as being held by the brokers, have the authority to vote on “routine” proposals when they have not received instructions from beneficial owners, but are precluded from exercising their voting discretion with respect to proposals for “non-routine” matters. Proxies submitted by brokers without instructions from customers for these non-routine or contested matters are referred to as “broker non-votes.” The following matters are non-routine matters under NYSE rules:

AGENDA ITEM	DESCRIPTION
2B	Advisory Vote to Approve Swiss Statutory Compensation Report for Fiscal Year 2022
3	Discharge of the Members of the Board of Directors and the Executive Management Team from Liability for Activities During Fiscal Year 2022
6	Election of 11 Directors

7	Reelection of the Chair of the Board of Directors
8	Reelection of the Members of the Compensation Committee
11	Advisory Vote to Approve Named Executive Officer Compensation
12	Advisory Vote to Approve Frequency of Named Executive Officer Compensation Vote
13A	Ratification of the Maximum Aggregate Amount of Compensation of the Board of Directors for the Period Between the 2023 Annual General Meeting and the 2024 Annual General Meeting
13B	Ratification of the Maximum Aggregate Amount of Compensation of the Executive Management Team for Fiscal Year 2024
14A	Approval of Amendment and Restatement of Transocean Ltd. 2015 Long-Term Incentive Plan
15	Approval of Amendments to Articles of Association to Reflect New Swiss Corporate Law and Make Certain Related Changes

If you hold your shares in “street name,” your broker will not be able to vote your shares on the agenda items set forth above and may not be able to vote your shares on other matters at the 2023 Annual General Meeting unless the broker receives appropriate instructions from you. We recommend that you contact your broker to exercise your right to vote your shares.

If you have timely submitted electronic or telephonic voting instructions or a properly executed proxy card, your shares will be voted by the independent proxy according to your instructions. Holders of shares who have timely submitted their proxy but have not specifically indicated how to vote their shares will be deemed to have instructed the independent proxy to vote in accordance with the recommendations of the Board of Directors with regard to the items listed in the notice of meeting.

If any modifications to agenda items or proposals identified in this invitation or other matters on which voting is permissible under Swiss law are properly presented at the 2023 Annual General Meeting for consideration, you will be deemed to have instructed the independent proxy, in the absence of other specific instructions, to vote in accordance with the recommendations of the Board of Directors.

As of the date of this proxy statement, the Board of Directors is not aware of any such modifications or other matters to come before the 2023 Annual General Meeting.

You may revoke your proxy card at any time prior to its exercise by taking one of the following actions:

- submitting a properly completed and executed proxy card with a later date and timely delivering it either directly to the independent proxy or to Vote Processing, c/o Broadridge at the addresses indicated below; or
- giving written notice of the revocation prior to the meeting to:



Transocean 2023 AGM
Vote Processing
c/o Broadridge
51 Mercedes Way
Edgewood, NY 11717
USA

or



Transocean 2023 AGM
Vote Processing
Schweiger Advokatur / Notariat
Dammstrasse 19
6300 Zug
Switzerland

If you hold your shares in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee in revoking your previously granted proxy.

References to “Transocean,” the “Company,” “we,” “us” or “our” include Transocean Ltd. together with its subsidiaries and predecessors, unless the context requires otherwise.

AGENDA ITEM 1

Reallocation of CHF 9.5 Billion of Free Capital Reserves from Capital Contribution to Statutory Capital Reserves from Capital Contribution

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that CHF 9.5 billion of free capital reserves from capital contribution be reallocated to statutory capital reserves from capital contribution.

EXPLANATION

At our annual general meetings in 2021 and 2018, we obtained approval from shareholders to release CHF 8.0 billion and CHF 1.5 billion, respectively, from statutory capital reserves from capital contribution and allocate these reserves to free capital reserves from capital contribution. We effected these releases and reallocations to comply with the requirement under Swiss corporate law as then in effect to propose measures to our shareholders if assets cover less than 50% of our statutory share capital and statutory capital reserves. At the time, statutory share capital reserves included statutory capital reserves from capital contribution.

Under the new Swiss corporate law, which became effective on January 1, 2023, statutory capital reserves from capital contribution are, unlike previously, no longer part of the equity capital against which excess coverage is measured. Further, the new Swiss corporate law provides that instead of offsetting negative earnings against statutory capital reserves from capital contribution, negative earnings may also be carried forward in part or in their entirety to the next annual accounts. The Board of Directors believes it is in the interest of our shareholders to preserve statutory capital reserves from capital contribution as much as possible. Unlike distributions out of available earnings or other reserves, distributions from statutory capital reserves from capital contribution to shareholders are exempt from Swiss withholding tax (currently at a rate of 35%). Against this background, we propose that we release a total of CHF 9.5 billion from free capital reserves from capital contribution and reallocate it to statutory capital reserves from capital contribution.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** this Agenda Item 1.

AGENDA ITEM 2

Approval of (A) the 2022 Annual Report, Including the Audited Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2022 and the Audited Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2022 and (B) the Swiss Statutory Compensation Report for Fiscal Year 2022

- 2A** Approval of the 2022 Annual Report, Including the Audited Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2022, and the Audited Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2022

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that the 2022 Annual Report, including the audited consolidated financial statements of Transocean Ltd. for fiscal year 2022 and the audited statutory financial statements of Transocean Ltd. for fiscal year 2022, be approved.

EXPLANATION

The audited consolidated financial statements of Transocean Ltd. for fiscal year 2022 and the audited Swiss statutory financial statements of Transocean Ltd. for fiscal year 2022 are contained in the 2022 Annual Report, which, along with this proxy statement, are available at: www.deepwater.com by selecting Financial Reports, then Annual and Quarterly Reports in the Investors section dropdown. In addition, these materials will be available for physical inspection at our registered office:



Transocean Ltd.
Turmstrasse 30
6312 Steinhausen, Switzerland

The 2022 Annual Report also contains information on the Company's business activities, the Company's business and financial situation, and the reports of Ernst & Young Ltd, Zurich, the Company's auditors pursuant to the Swiss Code, on the Company's consolidated financial statements for fiscal year 2022 and statutory financial statements for fiscal year 2022. In its reports, Ernst & Young Ltd recommended without qualification that the Company's consolidated financial statements and statutory financial statements for the year ended December 31, 2022, be approved. Ernst & Young Ltd expresses its opinion that the "consolidated financial statements for the years ended December 31, 2022 and 2021, present fairly in all material respects the consolidated financial position of Transocean Ltd. and subsidiaries at December 31, 2022 and 2021, and the consolidated results of operations and cash flows for each of the three years in the period ended December 31, 2022, in accordance with accounting principles generally accepted in the United States and comply with Swiss law." Ernst & Young Ltd further expresses its opinion and confirms that the statutory financial statements for fiscal year 2022 comply with Swiss law and the Articles of Association of the Company.

Under Swiss law, the annual report, the consolidated financial statements and Swiss statutory financial statements must be submitted to shareholders for approval at each annual general meeting.

If the shareholders do not approve this proposal, the Board of Directors may call an extraordinary general meeting of shareholders for reconsideration of this proposal by shareholders.

RECOMMENDATION

The Board of Directors recommends that you vote **FOR** this Agenda Item 2A.

2B Advisory Vote to Approve Swiss Statutory Compensation Report for Fiscal Year 2022**PROPOSAL OF THE BOARD OF DIRECTORS**

The Board of Directors proposes that the Company's Swiss Statutory Compensation Report for the fiscal year ended December 31, 2022 be approved on an advisory (non-binding) basis.

EXPLANATION

Under the Swiss Code, we are required to prepare each year a separate Swiss Statutory Compensation Report. The current Swiss Statutory Compensation Report sets forth, for the fiscal years ended December 31, 2022 and December 31, 2021, the aggregate compensation of the members of the Board of Directors and the members of the Company's Executive Management Team. Under the new Swiss corporate law effective as of January 1, 2023, we are required to submit our Swiss Statutory Compensation Report annually to shareholders for an advisory vote.

With regard to the compensation of our Executive Management Team, we note that at our annual general meeting held on May 12, 2022, shareholders approved the fiscal year 2023 maximum aggregate compensation amount for our Executive Management Team in the aggregate amount of \$26 million with 98.03% of shareholders voting in favor of the proposal. Shareholders also approved at that meeting the maximum aggregate compensation amount for the Board of Directors (for the period between the 2022 annual general meeting and 2023 the annual general meeting) in the aggregate amount of \$4.121 million with 98.05% of shareholders voting in favor of the proposal.

Our 2022 Swiss Statutory Compensation Report accompanies this proxy statement and is part of our Annual Report.

RECOMMENDATION

The Board of Directors recommends that you vote **FOR** this Agenda Item 2B.

AGENDA ITEM 3

Discharge of the Members of the Board of Directors and the Executive Management Team from Liability for Activities During Fiscal Year 2022

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that the members of the Board of Directors and Messrs. Jeremy D. Thigpen, Mark L. Mey, and Keelan I. Adamson, who served as members of our Executive Management Team in 2022, be discharged from liability for activities during fiscal year 2022.

EXPLANATION

As is customary for Swiss corporations and in accordance with Article 698, subsection 2, item 5 of the Swiss Code, shareholders are requested to discharge the members of the Board of Directors and our Executive Management Team from liability for their activities during the past fiscal year.

Discharge pursuant to the proposed resolution is only effective with respect to facts that have been disclosed to shareholders (including through any publicly available information, whether or not included in our filings with the SEC) and only binds shareholders who either voted in favor of the proposal or who subsequently acquired shares with knowledge that the shareholders have approved this proposal. In addition, shareholders who vote against this proposal, abstain from voting on this proposal, do not vote on this proposal, or acquire their shares without knowledge of the approval of this proposal, may bring, as a plaintiff, any claims in a shareholder derivative suit within six months after the approval of the proposal. After the expiration of the six-month period, such shareholders will generally no longer have the right to bring, as a plaintiff, claims in shareholder derivative suits against members of the Board of Directors or Executive Management Team with respect to activities during fiscal year 2022.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** this Agenda Item 3.

AGENDA ITEM 4

Appropriation of the Accumulated Loss for Fiscal Year 2022

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that the accumulated loss of the Company be carried forward.

APPROPRIATION OF ACCUMULATED LOSS	IN CHF THOUSANDS
Balance brought forward from previous years	(11,411,447)
Net loss of the year	(49,091)
Total accumulated loss	(11,460,538)

APPROPRIATION OF ACCUMULATED LOSS	
Balance to be carried forward on this account	(11,460,538)

EXPLANATION

Under Swiss law, the appropriation of available earnings or accumulated loss, as the case may be, as set forth in the Swiss statutory financial statements must be submitted to shareholders for approval at each annual general meeting. The accumulated loss subject to the vote of the Company's shareholders at the 2023 Annual General Meeting is the accumulated loss of Transocean Ltd., on a standalone basis.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** this Agenda Item 4.

AGENDA ITEM 5

Approval of Shares Authorized for Issuance

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that its authority to issue shares using general capital authorization be approved, and any share issuances thereunder be limited to 159,449,067 shares, representing approximately 20% of the Company's issued shares as of March 16, 2023, for a one-year period expiring on May 11, 2024.

The proposed amendments to our Articles of Association reflecting this authorization would replace the authorization to issue shares using authorized share capital that was approved by shareholders at our 2022 Annual General Meeting.

The Board of Directors believes that providing the flexibility to issue shares quickly and opportunistically is a strategic benefit to the Company and that the proposal would more closely align the Company's ability to issue shares with that of its peers, most of whom have received similar or higher authorizations from their respective shareholders.

The proposed amendments to the Articles of Association in respect of this Agenda Item 5 are included in Annex A.

EXPLANATION

The Board of Directors believes it is advisable for our shareholders to authorize the Board of Directors to issue shares using general authorized capital within the limits of NYSE rules, our Articles of Association and the Swiss Code. Recent changes to the Swiss Code replaced the concept of authorized share capital – which allowed a company's board of directors to issue shares with and without preemptive rights – with a similar authorized capital concept. Our proposal under this Agenda Item 5 is substantially similar to authorized capital proposals from our previous annual general meetings, including our 2022 Annual General Meeting at which our shareholders authorized our Board of Directors to issue a number of shares up to approximately 20% of our then issued share capital for a limited duration.

As of March 16, 2023, the issued share capital of the Company consisted of 797,245,335 shares. The current proposal would grant us authority to issue up to 159,449,067 shares using this authorization, or approximately 20% of our share capital as of March 16, 2023, for a one-year term expiring on May 11, 2024. The proposed amendments to our Articles of Association reflecting this authorization would replace the authorization to issue shares using authorized share capital that was approved by shareholders at our 2022 Annual General Meeting. Under the proposed authorized capital, our Board of Directors would have authority to exclude preemptive rights in connection with an issuance of shares for the reasons provided in our Articles of Association.

If this Agenda Item is approved, we would nevertheless seek shareholder approval for the share issuances pursuant to this authorization to the extent required under NYSE rules. Under current NYSE rules, shareholder approval is generally required, with certain enumerated exceptions, to issue shares or securities convertible into or exercisable for shares in one or a series of related transactions if such shares represent 20% or more of the voting power or outstanding shares of the Company at or upon issuance. NYSE rules also require shareholder approval for an issuance of shares that would result in a change of control of the Company, as well as for share issuances in connection with certain benefit plans or certain related party transactions.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** this Agenda Item 5.

AGENDA ITEM 6

Election of 11 Directors, Each for a Term Extending Until Completion of the Next Annual General Meeting

NOMINATIONS OF THE BOARD OF DIRECTORS

The Board of Directors has nominated the following candidates for election to the Board of Directors of the Company, each for a term extending until completion of the next annual general meeting.

Glyn A. Barker	Samuel J. Merksamer
Vanessa C.L. Chang	Frederik W. Mohn
Frederico F. Curado	Edward R. Muller
Chadwick C. Deaton	Margareth Øvrum
Domenic J. “Nick” Dell’Osso, Jr.	Jeremy D. Thigpen
Vincent J. Intrieri	

Director Nomination Process

The Board of Directors has designated the Corporate Governance Committee as the committee authorized to consider and recommend nominees for the Board of Directors. The Board of Directors believes that all members of the Corporate Governance Committee meet the applicable NYSE independence requirements.

Our Corporate Governance Guidelines provide that the Corporate Governance Committee should periodically assess the needs of the Company and the Board of Directors, so as to recommend candidates who will advance our goals. In making that assessment, the Corporate Governance Committee has determined that a recommended nominee must have the following minimum qualifications:

- High professional and personal ethics and values
- A record of professional accomplishment in his/her chosen field
- Relevant expertise and experience
- A reputation, both personal and professional, consistent with our *FIRST Shared Values*

In addition to these minimum qualifications, the Corporate Governance Committee considers other qualities in nominees that may be desirable. In particular, the Board of Directors is committed to having a majority of independent directors and, accordingly, the Corporate Governance Committee evaluates the independence status of any potential director. The Corporate Governance Committee evaluates whether or not a candidate contributes to the Board of Directors’ overall diversity, the candidate’s contribution to the Board of Directors’ existing chemistry and collaborative culture, and whether or not the candidate can contribute positively to the Board of Directors’ diverse expertise in environmental, health, safety, industry, sustainability, information security, corporate and business development, investor relations and financial matters. The Corporate Governance Committee also considers whether or not the candidate may have professional or personal experiences and expertise relevant to our business (such as expertise in the industry and in critical health, safety, environmental and sustainability matters) and the Company’s position as the leading international provider of offshore drilling services.

As described above, in accordance with the majority vote provisions of our Corporate Governance Guidelines, the Board of Directors may nominate only those candidates for director who have submitted an irrevocable letter of resignation, which would be effective upon and only in the event that (1) such nominee fails to receive more votes cast “FOR” than “AGAINST” his or her election in an uncontested election and (2) the Board of Directors accepts the resignation. The Board of Directors will also request a statement from any person

AGENDA ITEM 6

nominated as a director by anyone other than the Board of Directors as to whether that person will also submit an irrevocable letter of resignation upon the same terms as a person nominated by the Board of Directors. For purposes of our Corporate Governance Guidelines, an uncontested election occurs in an election of directors that does not constitute a contested election, and a contested election occurs when (i) the Secretary of the Company receives a notice that a shareholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for shareholder nominees for director set forth in our Articles of Association and (ii) such nomination has not been withdrawn by such shareholder on or prior to the day next preceding the date the Company first mails its notice of meeting for such meeting to the shareholders.

The Corporate Governance Committee has several methods of identifying Board of Directors candidates. First, the Corporate Governance Committee considers and evaluates annually whether each director nominee is qualified to be nominated for reelection to the Board of Directors. Second, the Corporate Governance Committee requests from time to time that its members and the other Board members identify possible candidates for any vacancies or potential vacancies. Third, the Corporate Governance Committee has the authority to retain one or more executive search firms to aid in its search for potential Board of Directors candidates, interview those candidates and conduct investigations relative to their background and qualifications.

The Corporate Governance Committee considers nominees for director who are recommended by our shareholders. Recommendations may be submitted in writing, along with:

- The name of and contact information for the candidate;
- A statement detailing the candidate's qualifications and business and educational experience;
- Information regarding the qualifications and qualities described under "Director Nomination Process" above;
- A signed statement of the proposed candidate consenting to be named as a candidate and, if nominated and elected, to serve as a director;
- A signed irrevocable letter of resignation from the proposed candidate that, in accordance with our Corporate Governance Guidelines, would be effective upon and only in the event that (1) in an uncontested election, such candidate fails to receive more votes cast "FOR" than "AGAINST" his or her election and (2) the Board of Directors accepts the resignation;
- A statement that the writer is a shareholder and is proposing a candidate for consideration by the Corporate Governance Committee;
- A statement detailing any relationship between the candidate and any customer, supplier or competitor of ours;
- Financial and accounting experience of the candidate, to enable the Corporate Governance Committee to determine whether the candidate would be suitable for Audit Committee membership; and
- Detailed information about any relationship or understanding between the proposing shareholder and the candidate.

Shareholders may submit nominations to:



Transocean Ltd.
Attention: Corporate Secretary
Turmstrasse 30
6312 Steinhausen, Switzerland

Unsolicited recommendations must contain all of the information that would be required in a proxy statement soliciting proxies for the election of the candidate as a director. The extent to which the Corporate Governance Committee dedicates time and resources to the consideration and evaluation of any potential nominee brought

to its attention depends on the information available to the Corporate Governance Committee about the qualifications and suitability of the individual, viewed in light of the needs of the Board of Directors, and is at the Corporate Governance Committee's discretion. The Corporate Governance Committee evaluates the desirability for incumbent directors to continue on the Board of Directors following the expiration of their respective terms, taking into account their contributions as Board members and the benefit that results from the increasing insight and experience developed over a period of time. Although the Corporate Governance Committee will consider candidates for director recommended by shareholders, it may determine not to recommend that the Board of Directors, and the Board of Directors may determine not to, nominate those candidates for election to the Board of Directors.

In addition to recommending director nominees to the Corporate Governance Committee, any shareholder may, in compliance with applicable requirements, nominate directors for election at annual general meetings of the shareholders. For more information on this topic, see "Other Matters."

In connection with the Board of Directors' periodic review of the skills, experience and diversity of its members, the Board of Directors also assesses the appropriateness of its size to determine whether any changes are necessary. The Board of Directors has determined that, should each of the director nominees be elected, the Company will have an appropriate combination of leadership, experience and oversight at this time.

The Board of Directors considers diversity as a key factor in the director nominee selection process. The Board of Directors takes an expansive view of the diversity of its members, with the goal of having directors who bring diverse expertise in environmental, health, safety, industry, sustainability, information security, corporate and business development, investor relations and financial matters and who reflect the global diversity of our workforce, our customers and the cultures in which we operate. We are a multinational company and, as of February 28, 2023, have seven different nationalities represented in our director and executive officer group, and 57 in our global workforce. We have a presence in 22 countries worldwide.

<p>7</p> <p>NATIONALITIES IN OUR DIRECTOR AND EXECUTIVE OFFICER GROUP</p>	<p>57</p> <p>NATIONALITIES IN OUR GLOBAL WORKFORCE</p>	<p>22</p> <p>COUNTRIES WORLDWIDE IN WHICH WE OPERATE</p>
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Board Leadership

The Board of Directors has chosen not to combine the positions of Chief Executive Officer and Chair of the Board of Directors. The Board of Directors believes that separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while our Chair of the Board of Directors presides over the Board of Directors as the Board of Directors provides advice to, and independent oversight of, management and the Company's operations. The Board of Directors recognizes the time, effort, and energy that our Chief Executive Officer is required to devote to his position and the additional commitment the position of Chair of the Board of Directors requires. The Board of Directors believes that having separate positions and having an independent outside director serve as Chair of the Board of Directors is the appropriate leadership structure for us at this time.

Executive Sessions

Our independent directors met in executive session without management at each of the regularly scheduled Board of Directors' meetings held in 2022. During 2023, the independent directors are again scheduled to meet in executive session at each regularly scheduled Board of Directors' meeting. The independent directors generally designate the Chair of the Board of Directors to act as the presiding director for executive sessions.

Director Attendance at Annual General Meeting

We expect all of our directors to attend the 2023 Annual General Meeting. All 11 of our directors attended the 2022 Annual General Meeting.

VOTING REQUIREMENT TO ELECT NOMINEES

The election of each nominee requires the affirmative vote of a plurality of the votes cast at the 2022 Annual General Meeting. The plurality requirement means that the nominee who receives the largest number of votes for a board seat is elected. Shareholders are entitled to one vote per share for each of the directors to be elected.

We have adopted a majority vote policy in the election of directors as part of our Corporate Governance Guidelines. This policy provides that the Board of Directors may nominate only those candidates for director who have submitted an irrevocable letter of resignation, which would be effective upon and only in the event that (1) such nominee fails to receive more votes cast "FOR" than "AGAINST" his or her election in an uncontested election and (2) the Board of Directors accepts the resignation. If a nominee who has submitted such a letter of resignation does not receive more votes cast for than against the nominee's election, the Corporate Governance Committee must promptly review the letter of resignation and recommend to the Board of Directors whether to accept the tendered resignation or reject it. The Board of Directors must then act on the Corporate Governance Committee's recommendation within 90 days following the certification of the shareholder vote. The Board of Directors must promptly disclose its decision regarding whether or not to accept the nominee's resignation letter in a Form 8-K filed with or furnished to the SEC or other broadly disseminated means of communication. Full details of this policy are set out in our Corporate Governance Guidelines, which are available on our website at: www.deepwater.com by selecting the Governance page in the Investors section dropdown.

The Board of Directors has received from each nominee for election as a director at the 2023 Annual General Meeting listed below an executed irrevocable letter of resignation consistent with these guidelines described above.

The information regarding the nominees presented below is as of February 28, 2023.

NOMINEES FOR DIRECTOR



GLYN A. BARKER | Director since 2012

CAREER HIGHLIGHTS

Glyn A. Barker served as Vice Chair–U.K. of PricewaterhouseCoopers LLP (PwC) from 2008 to 2011. He was also responsible for PwC's strategy and business development for the geographic areas of Europe, the Middle East, Africa and India. Mr. Barker joined PwC in 1975 and became an audit partner in 1987. He then established PwC's private equity-focused Transactions Services business and led it globally. He joined the Management Board of PwC in the UK as Head of the Assurance Practice in 2002. In 2006, he became U.K. Managing Partner and served in that role until 2008. Mr. Barker is the Chair of Irwin Mitchell Holdings Ltd (since 2012) and serves as a director of Various Eateries Ltd. (LON: VARE) (since 2020). Previously, Mr. Barker served as the Chair of Tappit Technologies (UK) Ltd from (2020 to 2022), as a director of Cornerstone FS plc (from 2021 to 2022), as a director of Quilter (in 2022), as a director of Berkley Group Holdings plc (from 2012 to 2022), as a director (from 2012 to 2022) and the Chair (from 2015 to 2016) of Transocean Partners LLC, as a director of Aviva plc (from 2012 to 2019), and a director of Interserve plc (from 2016 to 2019). Mr. Barker was Deputy Chair of the English National Opera Company from 2009 to 2016.

**FORMER VICE
CHAIR – U.K.,
PWC LLP**

U.K. CITIZEN
Independent
Age: 69

COMMITTEES
Audit
Compensation
Finance

**OTHER CURRENT
PUBLIC COMPANY
BOARDS**
Various Eateries Ltd.
(LON: VARE) (since
2020)

EDUCATION

Chartered Accountant
Bachelor of Science, Economics and Accounting, University of Bristol (1975)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Mr. Barker should remain on the Board of Directors due to his experience and expertise in:

Accounting & auditing
Finance debt & capital markets
Global international
Information Security
Mergers & acquisitions
Public company governance
Strategy



VANESSA C.L. CHANG | Director since 2012

CAREER HIGHLIGHTS

Vanessa C.L. Chang previously served as a Director and shareholder of EL & EL Investments, a privately held real estate investment business, from 1998 to 2018, as the President and Chief Executive Officer of *ResolveItNow.com* from 2000 until 2002 and was the Senior Vice President of Secured Capital Corp in 1998. From 1986 until 1997, Ms. Chang was the West Coast partner in charge of Corporate Finance for KPMG Peat Marwick LLP. Ms. Chang is a director or trustee of 16 funds advised by the Capital Group and its subsidiaries, seven of which are members of the American Funds family and as a director of nine ETFs advised and launched by Capital Group in 2022. She is also a director of Edison International (NYSE: EIX) and its wholly owned subsidiary, Southern California Edison Company (each since 2007). She was also a director of Sykes Enterprises Incorporated from 2016 to 2021, Forest Lawn Memorial Parks Association, a non-profit organization, from 2005 to 2020 and SCO, America, Inc., a non-profit organization, from 2013 to 2019. Ms. Chang is a member of the American Institute of Certified Public Accountants, the California State Board of Accountancy, Women Corporate Directors and the National Association of Corporate Directors.

**FORMER
DIRECTOR AND
SHAREHOLDER OF
EL & EL
INVESTMENTS**

**CANADIAN AND
U.S. CITIZEN**

Independent

Age: 70

COMMITTEES

Audit

Compensation

OTHER CURRENT PUBLIC COMPANY BOARDS

Edison
International
(NYSE: EIX since
2007)

EDUCATION

Certified Public Accountant (inactive)

Bachelor of Arts, University of British Columbia (1973)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Ms. Chang should remain on the Board of Directors due to her experience and expertise in:

Accounting & auditing

Finance, debt & capital markets

Global international

Human capital management

Information Security

Mergers & acquisitions

Public company governance

Strategy

Sustainability Risk, Reporting and Disclosures



FREDERICO F. CURADO | Director since 2013

CAREER HIGHLIGHTS

Frederico F. Curado served as the Chief Executive Officer of Ultrapar S.A. from 2017 to 2021, and previously served as President and Chief Executive Officer of Embraer S.A. from 2007 to 2016. He joined Embraer in 1984 and served in a variety of management positions during his career, including Executive Vice President, Airline Market from 1998 to 2007 and Executive Vice President, Planning and Organizational Development from 1995 to 1998. Mr. Curado is a director of LATAM Airlines Group SA (BCS: LTM; OTC Pink: LTMAY) since November 2022, a director of Ultrapar (NYSE: UGP) since 2022 and a director of ABB Ltd. (NYSE: ABB) since 2016. Mr. Curado was a member of the Executive Board of the ICC—International Chamber of Commerce from 2013 to 2018, a director of lochpe-Maxion S.A. from 2015 to 2017, the President of the Brazilian Chapter of the Brazil-United States Business Council from 2011 to 2016, a member of Brazil's National Council for Industrial Development from 2011 to 2016, and had been a director of the Smithsonian National Air and Space Museum from 2014 to 2017.

EDUCATION

Executive Master's in Business Administration, University of São Paulo, Brazil (1997)
Bachelor of Science degree, Mechanical-Aeronautical Engineering, Instituto Tecnológico de Aeronáutica in Brazil (1983)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Mr. Curado should remain on the Board due to his experience and expertise in:

- Accounting & auditing
- Finance, debt & capital markets
- Global international, especially Brazilian business and governance sectors
- Human capital management
- Legal & compliance
- Mergers & acquisitions
- Oil & gas (including oilfield services)
- Operations & engineering
- Public company CEO
- Public company governance
- Safety & environment
- Strategy
- Sustainability Risk, Reporting and Disclosures
- Technology, research & development

**FORMER CEO,
ULTRAPAR S.A.**

**BRAZILIAN AND
PORTUGUESE
CITIZEN**

Independent
Age: 61

COMMITTEES

Corporate
Governance
Health, Safety,
Environment and
Sustainability

OTHER CURRENT PUBLIC COMPANY BOARDS

ABB Ltd (NYSE:
ABB) (since 2016)
Ultrapar S.A. (NYSE:
UGP) (since 2022)
LATAM Airlines
Group SA (BCS:
LTM; OTC Pink:
LTMAY)



CHADWICK C. DEATON | Director since 2012

CAREER HIGHLIGHTS

Mr. Deaton served as Executive Chair of Baker Hughes Incorporated from 2012 to 2013, prior to which he served as Chair and Chief Executive Officer since 2004. He began his career with Schlumberger in 1976 and served in a variety of international capacities, including as Executive Vice President, Oilfield Services from 1998 to 1999 and as a Senior Advisor from 1999 until 2001. From 2002 until 2004, Mr. Deaton was the President, Chief Executive Officer and Director of Hanover Compressor Company. Mr. Deaton is a director of Marathon Oil Corporation (NYSE: MRO) (since 2014). Mr. Deaton previously was a director of Air Products and Chemicals, Inc. from 2010 to 2022, and Carbo Ceramics Inc. (from 2013 to 2020; and previously from 2004 to 2009). He is a member of the Society of Petroleum Engineers (since 1980) and has served on its Industrial Advisory Council. He is also a director of the University of Wyoming Foundation, Ucross Foundation, a non-profit research and development lab for the arts, and of the Houston Achievement Place. Mr. Deaton served as co-chair of the Wyoming Governor's Task Force for the build out of the University of Wyoming's new Engineering and Applied Sciences Center. He was a member of the National Petroleum Council (from 2007 to 2013).

**FORMER
EXECUTIVE CHAIR
AND CEO, BAKER
HUGHES
INCORPORATED**

U.S. CITIZEN

Independent
Age 70

OTHER CURRENT PUBLIC COMPANY BOARDS

Marathon Oil
Corporation (NYSE:
MRO) (since 2014)

EDUCATION

Bachelor of Science degree, Geology, University of Wyoming (1976)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Mr. Deaton should remain on the Board of Directors due to his significant experience and expertise in:

- Finance, debt & capital markets
- Global international
- Human capital management
- Legal & compliance
- Mergers & acquisitions
- Oil & gas (including oilfield services)
- Operations & engineering
- Public company CEO
- Public company governance
- Safety & environment
- Strategy
- Technology, research & development



DOMENIC J. "NICK" DELL'OSSO, JR. | Director Nominee

CAREER HIGHLIGHTS

Mr. Dell'Ossso was appointed President and Chief Executive Officer of Chesapeake Energy in October 2021. He previously served as Executive Vice President and Chief Financial Officer since November 2010. Prior to that time, he served as Vice President – Finance and Chief Financial Officer of Chesapeake's wholly owned midstream subsidiary Chesapeake Midstream Development, L.P. from August 2008 to November 2010. Before joining Chesapeake, Mr. Dell'Ossso was an energy investment banker with Jefferies & Co. from 2006 to 2008 and Banc of America Securities from 2004 to 2006.

**PRESIDENT AND
CHIEF EXECUTIVE
OFFICER,
CHESAPEAKE
ENERGY**

EDUCATION

Boston College (1998)
M.B.A. from the University of Texas at Austin (2003)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Mr. Dell'Ossso should be elected to the Board of Directors due to his experience and expertise in:

- Accounting & auditing
- Finance, debt & capital markets
- Human capital management
- Legal & compliance
- Mergers & acquisitions
- Oil & gas (including oilfield services)
- Public Company CEO
- Public company governance
- Safety & environment
- Strategy
- Sustainability Risk, Reporting & Disclosures

U.S. CITIZEN

Independent
Age 46

OTHER CURRENT PUBLIC COMPANY BOARDS

Chesapeake Energy
Corporation
(NASDAQ:CHK)
(since 2021)



VINCENT J. INTRIERI | Director since 2014

CAREER HIGHLIGHTS

Mr. Intrieri is the Founder and CEO of VDA Capital Management LLC, a private investment fund founded in January 2017. Mr. Intrieri was previously employed by Carl C. Icahn-related entities in various investment-related capacities from 1998 to 2016. From 2008 to 2016, Mr. Intrieri served as Senior Managing Director of Icahn Capital LP, the entity through which Carl C. Icahn manages private investment funds. In addition, from 2004 to 2016, Mr. Intrieri was a Senior Managing Director of Icahn Onshore LP, the general partner of Icahn Partners LP, and Icahn Offshore LP, the general partner of Icahn Partners Master Fund LP, entities through which Mr. Icahn invests in securities. Mr. Intrieri is a director of Hertz Global Holdings, Inc. (NASDAQ: HTZ) (since 2014). Mr. Intrieri previously served as a director of Navistar International Corporation from 2012 until 2021, Energen Corporation from March 2018 until November 2018, Conduent Incorporated from 2017 to 2018, Chesapeake Energy Corporation from 2012 to 2016, CVR Refining, GP, LLC, the general partner of CVR Refining, LP, from 2012 to 2014, Ferrous Resources Limited from 2015 to 2016, Forest Laboratories Inc. from 2013 to 2014, CVR Energy, Inc. from 2012 to 2014, Federal-Mogul Holdings Corporation from 2007 to 2013, Icahn Enterprises L.P. from 2006 to 2012, and was Senior Vice President of Icahn Enterprises L.P. from 2011 to 2012. Mr. Intrieri was also a director of Dynegy Inc. from 2011 to 2012, and Chair and a director of PSC Metals Inc. from 2007 to 2012. He served as a director of Motorola Solutions, Inc. from 2011 to 2012, XO Holdings from 2006 to 2011, National Energy Group, Inc. from 2006 to 2011, American Railcar Industries, Inc. from 2005 to 2011, WestPoint Home LLC from 2005 to 2011, and as Chair and a director of Viskase Companies, Inc. from 2003 to 2011. Ferrous Resources Limited, CVR Refining, CVR Energy, American Railcar Industries, Federal-Mogul, Icahn Enterprises, XO Holdings, National Energy Group, WestPoint Home, Viskase Companies and PSC Metals each are or previously were indirectly controlled by Carl C. Icahn. Mr. Icahn also has or previously had a noncontrolling interest in Dynegy, Hertz, Forest Laboratories, Navistar, Chesapeake Energy, Motorola Solutions and Transocean through the ownership of securities.

EDUCATION

Certified Public Accountant (inactive)

Bachelor of Science degree, with Distinction, Accounting, The Pennsylvania State University (Erie Campus) (1984)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Mr. Intrieri should remain on the Board of Directors due to his significant experience and expertise in:

- Accounting & auditing
- Finance, debt & capital markets
- Global international
- Human capital management
- Mergers & acquisitions
- Oil & gas (including oilfield services)
- Public company governance
- Safety & environment
- Strategy
- Technology, research & development

**FOUNDER AND
CEO, VDA CAPITAL
MANAGEMENT LLC**

U.S. CITIZEN

Independent
Age 66

COMMITTEES

Corporate
Governance
Finance

OTHER CURRENT PUBLIC COMPANY BOARDS

Hertz Global
Holdings, Inc.
(NASDAQ: HTZ)
(since 2014)



SAMUEL J. MERKSAMER | Director since 2013

CAREER HIGHLIGHTS

Mr. Merksamer was a Partner at SoftBank Investment Advisers and a Managing Director at SB Management, an affiliate of SoftBank from 2019 to 2022. Prior to then, he was a co-founder of Caligan Partners, L.P., an investment firm, from 2017 to 2019. He was a Managing Director of Icahn Capital LP, a subsidiary of Icahn Enterprises L.P., from 2008 to 2016. From 2003 until 2008, Mr. Merksamer was an analyst at Airlie Opportunity Capital Management. Mr. Merksamer is a director of Autostore Holdings Ltd. (OSE: AUTO) (since 2021) and EQRX (NASDAQ: EQRX) (since 2021). He previously served as a director of American International Group, Inc. from 2016 to 2018, Hertz Global Holdings, Inc. from 2014 to 2017, Navistar International Corporation from 2012 to 2017, Cheniere Energy Inc. from 2015 to 2017, Transocean Partners from 2014 to 2016, Hologic Inc. from 2013 to 2016, Talisman Energy Inc. from 2013 to 2015, Ferrous Resources Limited from 2012 to 2016, CVR Refining, GP, LLC, the general partner of CVR Refining, LP, from 2012 to 2014, CVR Energy, Inc. from 2012 to 2014, American Railcar Industries, Inc. from 2011 to 2013, Dynegy Inc. from 2011 to 2012, Viskase Companies, Inc. from 2010 to 2013, Federal-Mogul Holdings Corporation from 2010 to 2014, and PSC Metals Inc. from 2009 to 2012. Ferrous Resources Limited, CVR Refining, CVR Energy, American Railcar Industries, Federal-Mogul, Viskase Companies and PSC Metals are each indirectly controlled by Carl C. Icahn. Mr. Icahn also has or previously had a noncontrolling interest in Dynegy, Hologic, Talisman Energy, Navistar, Hertz, Cheniere Energy, Transocean Ltd., Transocean Partners and American International Group, Inc. through the ownership of securities.

**PARTNER,
SOFTBANK
INVESTMENT
ADVISERS**

U.S. CITIZEN
Independent
Age 42

COMMITTEES
Compensation
Finance

**OTHER CURRENT
PUBLIC COMPANY
BOARDS**

Autostore Holdings
Ltd. (OSE: AUTO)
(since 2021)
EQRx (NASDAQ:
EQRX) (since 2021)

EDUCATION

A.B. degree, Economics, Cornell University (2002)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Mr. Merksamer should remain on the Board of Directors due to his experience and expertise in:

- Accounting & auditing
- Finance, debt & capital markets
- Mergers & acquisitions
- Public company governance
- Strategy



FREDERIK W. MOHN | Director since 2018

CAREER HIGHLIGHTS

Mr. Mohn has served as a director of the Company since 2018 when Transocean acquired Songa Offshore SE (“Songa”). Previously, Mr. Mohn served as a director of Songa from 2013 to 2014, and as Chair of the Songa Board from 2014 to 2018. Mr. Mohn is the sole owner and managing director of Perestroika AS, a Norwegian investment company with investments in oil and gas, shipping, infrastructure, real estate development and financial services. Mr. Mohn currently serves as the Chair of the Board of EMGS ASA (OSE: EMGS) (since 2021). He also currently serves on the board of directors of the following private companies: Viken Crude AS, Fornebu Sentrum Holding AS, and Fornebu Sentrum Utvikling AS. Mr. Mohn previously served as a director of Dof ASA, a Norwegian shipping company, from August 2017 to October 2019 and as a director of Fjord 1, a Norwegian transport company from August 2017 to December 2019. From 2011 to 2013, Mr. Mohn served as managing director of the worldwide family business Frank Mohn AS, a supplier of pumping systems to the oil and gas industry.

EDUCATION

Bachelor of Science degree, Royal Holloway, University of London (2001)

KEY QUALIFICATIONS AND EXPERTISE

Mr. Mohn served as the Chair of the Board of Songa prior to Transocean’s acquisition of that company in 2018. The Board of Directors recommends Mr. Mohn should remain on the Board of Directors due to his knowledge and experience as the former Chair of the Board of Songa and his expertise in:

- Accounting & auditing
- Finance, debt & capital markets
- Global international
- Mergers & acquisitions
- Oil & gas (including oilfield services)
- Public company governance
- Safety & environment
- Strategy

**OWNER AND
MANAGING
DIRECTOR,
PERESTROIKA AS;
FORMER
DIRECTOR AND
CHAIR, SONGA**

**NORWEGIAN
CITIZEN**

Independent
Age 46

COMMITTEES

Audit
Health, Safety,
Environment and
Sustainability

OTHER CURRENT PUBLIC COMPANY BOARDS

EMGS ASA (OSE:
EMGS) (since 2021)



EDWARD R. MULLER | Director since 2008

CAREER HIGHLIGHTS

Mr. Muller served as a director of GlobalSantaFe Corporation from 2001 to 2007 and of Global Marine, Inc. from 1997 to 2001. Mr. Muller served as Vice Chair of NRG Energy, Inc. (NYSE: NRG) after the merger of NRG Energy, Inc. with GenOn Energy, Inc. from 2012 until 2017. Prior to the merger, he served as GenOn Energy, Inc.'s Chair and Chief Executive Officer (since 2010) and President (since 2011). Mr. Muller previously served as Chair, President and Chief Executive Officer of Mirant Corporation from 2005 to 2010 when Mirant Corporation merged with RRI Energy, Inc. to form GenOn Energy, Inc. Mr. Muller currently serves as the chair of five start-ups: x/44 since 2022; Specifx, Inc. since 2021; Concrete AI, Inc. since 2021; CarbonBuilt, Inc. since 2020; and SeaChange Inc., since 2020 and has served as a director of AeroVironment, Inc. (NASDAQ: AVAV) since 2013. Before becoming a private investor from 2000 until 2005, Mr. Muller served as President and Chief Executive Officer of Edison Mission Energy, a wholly owned subsidiary of Edison International, from 1993 until 2000. During his tenure, Edison Mission Energy was engaged in developing, owning and operating independent power production facilities worldwide. From 2004 to 2022, Mr. Muller served as a trustee of the Riverview School and twice served as its Chair, a position he held from 2008 to 2012 and from 2015 to 2018. Since 2019, Mr. Muller has served as the Chair of the advisory board of the UCLA Institute for Carbon Management.

**FORMER CHAIR,
CEO, AND
PRESIDENT
GENON ENERGY,
INC.; AND FORMER
VICE CHAIR, NRG
ENERGY, INC.**

U.S. CITIZEN

Independent

Age: 70

COMMITTEES

Corporate
Governance
Finance

OTHER CURRENT PUBLIC COMPANY BOARDS

AeroVironment, Inc.
(NASDAQ: AVAV)
(since 2013)

EDUCATION

Law degree, Yale Law School (1976)
Bachelor of Arts degree, Dartmouth College (1973)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Mr. Muller, an attorney by education, should remain on the Board of Directors due to his extensive experience and expertise in:

- Accounting & auditing
- Finance, debt & capital markets
- Global international
- Legal & compliance
- Mergers & acquisitions
- Public company CEO
- Public company governance
- Safety & environment
- Strategy



MARGARETH ØVRUM | Director since 2021

CAREER HIGHLIGHTS

Ms. Øvrum served as Executive Vice President of Equinor ASA, Development and Production Brazil until 2021 when she retired after nearly 40 years with Equinor. Her tenure at Equinor included working as President, Equinor Brazil from 2018 to 2020; Executive Vice President of Technology, Projects and Drilling from 2011 to 2018; Executive Vice President, Technology and New Energy for Statoil Hydro from 2007 to 2011; Executive Vice President of Technology and Projects from 2004 to 2007 and Executive Vice President of Health, Safety and the Environment during 2004. Ms. Øvrum began her career in 1982 at Equinor in Strategic Analysis, Production and Maintenance and within a decade became the first female platform manager of the company's oldest fields in the North Sea. Ms. Øvrum currently serves on the board of directors of Harbour Energy (OTCPK: ENGH) since 2021, Technip FMC (NYSE: FTI) (PARIS: FTI) since 2020, and FMC Corporation (NYSE: FMC) since 2016. She also serves on the board of a private company: Fjordbase Holding since 2021. Ms. Øvrum previously served as a director of Alfa Laval AB from 2015 to 2019, Atlas Copco AB from 2008 to 2017 and Ratos AB from 2009 to 2014.

**FORMER
EXECUTIVE VICE
PRESIDENT FOR
EQUINOR
DEVELOPMENT
AND PRODUCTION
BRAZIL**

**NORWEGIAN
CITIZEN**

Independent

Age 64

COMMITTEES

Audit

Health, Safety,
Environment and
Sustainability

OTHER CURRENT PUBLIC COMPANY BOARDS

FMC Corporation
(NYSE: FMC) (since
2016)

Harbour Energy
(OTCPK: ENGH)
(since 2021)

Technip FMC
(NYSE: FTI) (Paris:
FTI) (since 2020)

EDUCATION

Master of Science Technical Physics, Norwegian Technical University (1981)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Ms. Øvrum should remain on the Board of Directors due to her experience and expertise in:

- Global international
- Human capital management
- Information Security
- Mergers & acquisitions
- Oil & gas (including oilfield services)
- Operations & engineering
- Public company governance
- Safety & environment
- Strategy
- Sustainability Risk, Reporting and Disclosures
- Technology, research & development



**CHIEF EXECUTIVE
OFFICER,
TRANSOCEAN LTD.**

U.S. CITIZEN

Age 48

JEREMY D. THIGPEN | Director since 2015

CAREER HIGHLIGHTS

Mr. Thigpen is Chief Executive Officer and a director of the Company since 2015, and served as President until February 2022. Mr. Thigpen served as Senior Vice President and Chief Financial Officer at National Oilwell Varco, Inc. (NYSE: NOV) from 2012 to 2015. During his tenure at National Oilwell Varco, Mr. Thigpen spent five years from 2007 to 2012 as the company's President of Downhole and Pumping Solutions business, and four years from 2003 to 2007 as President of its Downhole Tools group. He also served in various management and business development capacities, including Director of Business Development and Special Assistant to the Chair for National Oilwell Varco.

Mr. Thigpen serves as a member of the Board of Trustees at Rice University (since 2022) and served as the International Association of Drilling Contractors' Chair in 2022.

EDUCATION

Program for Management Development, Harvard Business School (2001)

Bachelor of Arts degree, Economics and Managerial Studies, Rice University (1997)

KEY QUALIFICATIONS AND EXPERTISE

The Board of Directors recommends Mr. Thigpen should serve an additional term. The Board of Directors believes that it is important for the Chief Executive Officer of the Company to serve on the Board of Directors, as it ensures an efficient flow of information between the Board of Directors and executive management. In addition, Mr. Thigpen has substantial industry experience, as well as proven leadership and experience in strategic transactions, finance, operational and management matters, industry and community relations initiatives, and he brings a competitive perspective, all of which assists the other members of the Board of Directors in considering strategic decisions for the Company.

RECOMMENDATION

The Board of Directors recommends you vote **FOR** the reelection of these candidates as directors.

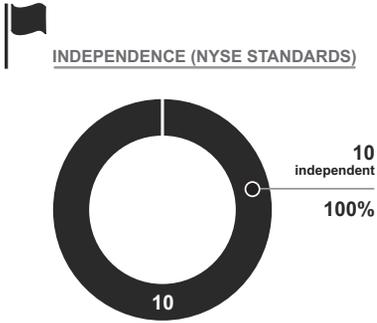
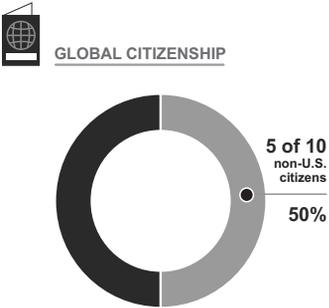
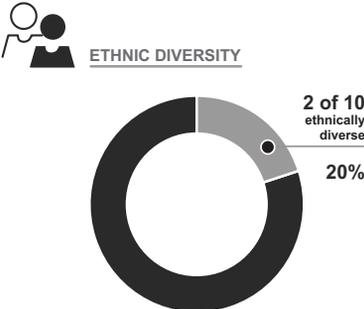
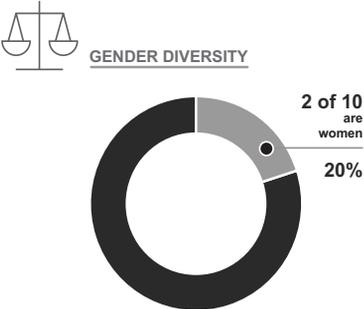
SKILLS AND EXPERIENCE MATRIX FOR INDEPENDENT DIRECTOR NOMINEES

Below is a summary of certain skills and experience of our independent director nominees that are relevant to our business. In addition to the skills and experience referenced below, each of our independent director nominees has relevant business or professional experience and skills in *Mergers and Acquisitions*, *Public Company Governance* and *Strategy*.

BUSINESS OR PROFESSIONAL EXPERIENCE AND SKILLS	Glyn A. Barker	Vanessa C.L. Chang	Frederico F. Curado	Chadwick C. Deaton	Domenic J. "Nick" Dell'Osso, Jr.	Vincent J. Intrieri	Samuel Merksamer	Frederik W. Mohn	Edward R. Muller	Margareth Øvrum	# OUT OF 10
 Finance, Debt & Capital Markets	✓	✓	✓	✓	✓	✓	✓	✓	✓		9
 Multinational Company	✓	✓	✓	✓		✓	✓	✓	✓	✓	9
 Accounting & Auditing	✓	✓	✓		✓	✓	✓	✓	✓		8
 Safety & Environment			✓	✓	✓	✓		✓	✓	✓	7
 Human Capital Management		✓	✓	✓	✓	✓				✓	6
 Oil & Gas (Including Oilfield Services)			✓	✓	✓	✓		✓		✓	6
 Public Company CEO			✓	✓	✓				✓		4
 Legal & Compliance			✓	✓	✓				✓		4
 Sustainability Risk, Reporting & Disclosures		✓	✓		✓					✓	4
 Technology, Research & Development			✓	✓		✓				✓	4
 Information Security	✓	✓								✓	3
 Operations & Engineering			✓	✓						✓	3

Backgrounds and Attributes of Our Independent Director Nominees

All members of our Board of Directors are highly qualified with proven records of excellence and success. In addition to their credentials and experience, we value the thought leadership and varied perspectives that a diverse board brings to our business execution and have purposefully improved gender, ethnic and national representation of our Board of Directors. The following provides an overview of the backgrounds of our non-executive directors.



0 - 3 YRS	6 - 9 YRS	10+ YRS
■ ■	■ ■	■ ■ ■ ■ ■ ■
20%	20%	60%

40s	60s	70s
■ ■ ■	■ ■ ■ ■	■ ■ ■
30%	40%	30%

AGENDA ITEM 7

Reelection of the Chair of the Board of Directors for a Term Extending Until Completion of the Next Annual General Meeting

NOMINATION OF THE BOARD OF DIRECTORS

Pursuant to the Swiss Code and our Articles of Association, the authority to elect the Chair of the Board of Directors is vested with the general meeting of shareholders. The term of office of the Chair of the Board of Directors is the same as the other directors' terms and extends until completion of the next annual general meeting. The Chair elected at the 2023 Annual General Meeting will have the powers and duties as provided for in our Articles of Association and organizational regulations.

Upon the recommendation of the Corporate Governance Committee, the Board of Directors nominates Chadwick C. Deaton for reelection by the shareholders as the Chair of the Board of Directors. Mr. Deaton has served on the Board since May 2012 and as Board Chair since 2019. Prior to his election as Chair of the Board of Directors by our shareholders at the 2019 Annual General Meeting, Mr. Deaton served as Chair of the Board's Health Safety Environment and Sustainability Committee and as a member of the Corporate Governance Committee. Mr. Deaton's biographical information may be found above under Agenda Item 6.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** the reelection of the nominee for the Chair of the Board of Directors.

AGENDA ITEM 8

Reelection of the Members of the Compensation Committee, Each for a Term Extending Until Completion of the Next Annual General Meeting

NOMINATIONS OF THE BOARD OF DIRECTORS

Pursuant to the Swiss Code and our Articles of Association, the authority to elect the members of the Compensation Committee of the Board of Directors is vested with the general meeting of shareholders. The term of office of the members of the Compensation Committee is the same as the other directors' term and extends until completion of the next annual general meeting.

Upon the recommendation of the Corporate Governance Committee, the Board of Directors has nominated for election by the shareholders at the 2023 Annual General Meeting

Glyn A. Barker
Vanessa C.L. Chang
Samuel J. Merksamer

as members of the Compensation Committee of the Board of Directors. Biographical information regarding the nominees may be found above under Agenda Item 6.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** the reelection of the nominees of the Compensation Committee of the Board of Directors.

AGENDA ITEM 9

Reelection of the Independent Proxy for a Term Extending Until Completion of the Next Annual General Meeting

Pursuant to the Swiss Code and our Articles of Association, the authority to elect the independent proxy is vested with the general meeting of shareholders. The independent proxy elected at the 2023 Annual General Meeting will serve as independent proxy at the 2024 Annual General Meeting and at any extraordinary general meeting of shareholders of the Company that may be held prior to the 2024 Annual General Meeting.

The Board of Directors has nominated for election as independent proxy Schweiger Advokatur / Notariat, Dammstrasse 19, 6300 Zug, Switzerland. Schweiger Advokatur / Notariat was elected at the 2022 Annual General Meeting to serve as independent proxy at the 2023 Annual General Meeting and any extraordinary general meeting of shareholders of the Company held prior to the 2023 Annual General Meeting. Schweiger Advokatur/Notariat confirmed to the Company that it possesses the required independence to fulfill its responsibilities.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** this Agenda Item 9.

AGENDA ITEM 10

Appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2023 and Reelection of Ernst & Young Ltd, Zurich, as the Company's Auditor for a Further One-Year Term

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that Ernst & Young LLP be appointed as Transocean Ltd.'s independent registered public accounting firm for the fiscal year 2023 and that Ernst & Young Ltd, Zurich, be elected as Transocean Ltd.'s auditor pursuant to the Swiss Code for a further one-year term, commencing on the day of election at the 2023 Annual General Meeting and terminating on the day of the 2024 Annual General Meeting.

Representatives of Ernst & Young Ltd will participate in the 2023 Annual General Meeting, will have the opportunity to make a statement and will be available to respond to questions you may ask. Please submit any questions you may have to the Corporate Secretary prior to the 2023 Annual General Meeting. Information regarding the fees paid by the Company to Ernst & Young appears below.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** this Agenda Item 10.

FEES PAID TO ERNST & YOUNG

Audit fees for Ernst & Young LLP and its affiliates for each of the fiscal years 2022 and 2021 and audit-related fees, tax fees and total of all other fees for services rendered in 2022 and 2021 are as follows:

	AUDIT FEES ⁽¹⁾	AUDIT-RELATED FEES ⁽²⁾	TAX FEES	TOTAL OF ALL OTHER FEES ⁽³⁾
	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Fiscal year 2022	5,074,011	213,752	25,953	2,000
Fiscal year 2021	4,674,009	502,049	-	1,485

- (1) The audit fees include those associated with our annual audit, reviews of our quarterly reports on Form 10-Q, statutory audits of our subsidiaries, services associated with documents filed with the SEC and audit consultations.
- (2) The audit-related fees include services in connection with accounting consultations, employee benefit plan audits and attest services related to financial reporting.
- (3) All other fees were for other publications and subscription services.

AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES

The Audit Committee pre-approves all auditing services, review or attest engagements and permitted non-audit services to be performed by our independent registered public accounting firm. The Audit Committee has considered whether the provision of services rendered in 2022 other than the audit of our financial statements and reviews of quarterly financial statements was compatible with maintaining the independence of Ernst &

AGENDA ITEM 10

Young LLP and determined that the provision of such services was compatible with maintaining such independence.

The Audit Committee has adopted policies and procedures for pre-approving all audit and non-audit services performed by the independent registered public accounting firm. The policy requires advance approval by the Audit Committee of all audit and non-audit work; provided, that the Chair of the Audit Committee may grant pre-approvals of audit or non-audit work, so long as such pre-approvals are presented to the full Audit Committee at its next scheduled meeting. Unless the specific service has been previously pre-approved with respect to the 12-month period following the advance approval, the Audit Committee must approve a service before the independent registered public accounting firm is engaged to perform the service. The Audit Committee has given advance approval for specified audit, audit-related, tax and other services for 2023. Requests for services that have received this pre-approval are subject to specified fee or budget restrictions, as well as internal management controls.

AGENDA ITEM 11

Advisory Vote to Approve Named Executive Officer Compensation for Fiscal Year 2023

PROPOSAL OF THE BOARD OF DIRECTORS

As required by Section 14A of the Exchange Act, the Company is providing its shareholders the opportunity to vote on an advisory basis to approve the compensation of the Company's Named Executive Officers.

At the Company's 2017 Annual General Meeting, the Company's shareholders supported the Board of Directors' recommendation to hold an advisory vote on executive compensation every year for the Company's Named Executive Officers. As a result, the Board of Directors determined that the Company will hold an advisory vote on executive compensation once every year until this 2023 Annual General Meeting, which, in accordance with applicable law, is the next required vote on the frequency of shareholder votes on compensation of Named Executive Officers of the Company. Agenda Item 12 of this proxy statement concerns such advisory vote on the frequency of shareholders' votes on compensation of the Company's Named Executive Officers.

The Board of Directors recommends that you vote for the approval of the compensation of the Named Executive Officers as described in this proxy statement.

Accordingly, you may vote on the following resolution:

RESOLVED, that the compensation of the Company's Named Executive Officers, as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables, and the narrative disclosure in the proxy statement for the Company's 2023 Annual General Meeting is hereby APPROVED.

Our compensation program for our Named Executive Officers is designed to reward performance that creates long-term value for the Company's shareholders through the following features, which are discussed in more detail in our Compensation Discussion and Analysis:

- Annual cash bonuses based on performance as measured against pre-determined performance goals;
- A share ownership policy that requires our executive officers to build and maintain an appropriate equity stake in the Company to further align our executive officers' interests with the long-term interests of our shareholders;
- A compensation mix weighted toward long-term incentives to allow our Named Executive Officers to participate in the long-term growth and profitability of the Company;
- Hedging and pledging policies that prohibit any of our executive officers from hedging or pledging our shares or holding derivative instruments tied to our shares, other than derivative instruments issued by us; and
- Long-term incentives include performance share units that vest based upon the Company's total shareholder return compared to the companies in our performance peer groups;
- The Incentive Compensation Recoupment Policy, a clawback policy that allows the Company to recover or adjust incentive compensation to the extent the Compensation Committee determines that payments or awards have exceeded the amount that would otherwise have been received due to a restatement of our financial results or if the Compensation Committee determines that an executive has engaged in, or has knowledge of and fails to prevent or disclose, fraud or intentional misconduct pertaining to any financial reporting requirements or in cases of violations of our Code of Integrity.
- Median pay positioning for target performance, above median pay for above target performance, and below median pay for below target performance;

AGENDA ITEM 11

The vote on this proposal is advisory and therefore not binding on the Company, the Compensation Committee or the Board of Directors. The Board of Directors and the Compensation Committee value the opinions of our shareholders. Following the 2023 Annual General Meeting, we will consider our shareholders' feedback and the Compensation Committee will evaluate whether any actions are necessary to address this feedback.

RECOMMENDATION

The Board of Directors recommends that you vote **FOR** approval of the compensation of the Company's Named Executive Officers, as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables, and the narrative disclosure in this proxy statement.

AGENDA ITEM 12

Advisory Vote to Approve Frequency of Named Executive Officer Compensation Vote

PROPOSAL OF THE BOARD OF DIRECTORS

As required by Section 14A of the Exchange Act, the Board of Directors proposes that shareholders be provided with an advisory vote on whether the advisory vote on the compensation of the Company's Named Executive Officers should occur every one, two or three years.

EXPLANATION

The Company is presenting this proposal to give you, as a shareholder, the opportunity to inform the Company as to how often you wish the Company to hold an advisory vote on executive compensation. While our Board of Directors intends to carefully consider the shareholder vote resulting from the proposal, the final vote will not be binding on us and is advisory in nature.

We recommend that a non-binding advisory vote on the compensation of our Named Executive Officers as disclosed in our proxy statement for our annual general meeting be held every year. We believe holding that vote every year provides the most effective timeframe because it will provide our shareholders a consistent and clear communication channel for shareholder concerns about our executive pay programs. In the future, we may determine that a less frequent advisory vote is appropriate, either in response to the vote of our shareholders on this Agenda Item 12 or for other reasons.

Voting Requirement to Approve Advisory Proposal

Shareholders are being asked to provide an advisory vote on whether the non-binding advisory vote on the approval of the compensation of the Named Executive Officers should be held every one, two or three years. The approval of an alternative requires the affirmative vote of a majority of the votes cast in person or by proxy at the 2023 Annual General Meeting. If none of the alternatives (one year, two years or three years) receive a majority vote, we will consider the alternative with the highest number of votes cast by shareholders to be the alternative that has been selected by shareholders.

RECOMMENDATION

The Board of Directors recommends that you vote to hold an advisory vote on executive compensation EVERY YEAR.

AGENDA ITEM 13

Prospective Vote on the Maximum Compensation of (A) the Board of Directors and (B) the Executive Management Team

13A Ratification of the Maximum Aggregate Amount of Compensation of the Board of Directors for the Period Between the 2023 Annual General Meeting and the 2024 Annual General Meeting

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that the shareholders ratify an amount of \$4,121,000 as the maximum aggregate amount of compensation of the Board of Directors for the period between the 2023 Annual General Meeting and the 2024 Annual General Meeting.

EXPLANATION

As required by our Articles of Association and the Swiss Code, the shareholders are provided the opportunity to vote on the maximum aggregate amount of compensation that can be paid or granted to the members of the Board of Directors for the period between the 2023 Annual General Meeting and the 2024 Annual General Meeting (the “2023/2024 Term”). The shareholder vote is binding.

DIRECTORS’ COMPENSATION PRINCIPLES

The general principles of the compensation for our Board of Directors are described in article 29b of our Articles of Association.

We use a combination of cash and equity compensation to attract and retain qualified candidates to serve on our Board of Directors. Our directors’ compensation consists of:

- cash retainers and
- grants of restricted share units

Set forth below is an overview of the non-employee director compensation elements for the term of office between the 2021 Annual General Meeting and the 2022 Annual General Meeting (the “2021/2022 Term”), and the term of office between the 2022 Annual General Meeting and the 2023 Annual General Meeting (the

AGENDA ITEM 13

“2022/2023 Term”). Additionally, the compensation elements currently contemplated for the 2023/2024 Term are also provided:

	2021/2022 Term (U.S.\$)	TERM OF OFFICE 2022/2023 Term (U.S.\$)	2023/2024 Term (U.S.\$)
CASH RETAINERS			
Non-employee chair	275,000	215,000	215,000
Non-employee directors (other than the chair)	100,000	100,000	100,000
Additional retainer for committee chair:			
Audit Committee	35,000	35,000	35,000
Compensation Committee	20,000	20,000	20,000
Corporate Governance Committee, Finance Committee, and Health, Safety, Environment and Sustainability Committee	10,000	10,000	10,000
TARGET VALUE OF RESTRICTED SHARE UNITS			
Non-employee chair	275,000	215,000	215,000
Non-employee directors (other than the chair)	210,000	210,000	210,000

A more detailed description of the compensation principles currently in effect for our Board of Directors can be found under “Board Meetings and Committees—Director Compensation Strategy.” The actual amounts paid to each member of the Board of Directors for fiscal year 2022 are disclosed under “2022 Director Compensation” and in our Swiss Compensation Report under the caption “Board of Directors’ Compensation.”

PROPOSAL FOR RATIFICATION OF MAXIMUM AGGREGATE AMOUNT

The Board of Directors proposes that the shareholders ratify an amount of \$4,121,000 as the maximum aggregate amount of compensation that the Company may pay to the Board of Directors for the 2023/2024 Term.

The proposed aggregate maximum amount has been calculated based on the directors’ compensation elements as outlined above and represents no change from the maximum aggregate amount of compensation for the prior eight Terms since the Swiss compensation regulations were first implemented for the 2015/2016 Term; all of which were approved by shareholders.

The total compensation paid to the Board of Directors for the 2022/2023 Term was \$3,282,998, which is below the \$4,121,000 previously approved by shareholders at the 2022 Annual General Meeting.

RECOMMENDATION

The Board of Directors recommends that you vote
FOR this Agenda Item 13A.

13B Ratification of the Maximum Aggregate Amount of Compensation of the Executive Management Team for Fiscal Year 2024

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that the shareholders ratify an amount of \$26,000,000 as the maximum aggregate amount of compensation of the Executive Management Team for fiscal year 2024.

EXPLANATION

As required by our Articles of Association and the Swiss Code, our shareholders are provided the opportunity to vote on the maximum aggregate amount of compensation that can be paid or granted to the members of the Executive Management Team for fiscal year 2024. The shareholder vote is binding.

EXECUTIVE MANAGEMENT TEAM COMPENSATION PRINCIPLES

The general principles of the compensation for the Executive Management Team are described in article 29b of our Articles of Association.

We use a combination of cash and equity compensation to attract, motivate and retain leaders from the global executive talent market within and outside our highly competitive industry and to achieve our objective of pay and performance alignment by delivering the vast majority of our Executive Management Team's compensation opportunity as performance-based, 'at-risk' compensation. Our Executive Management Team's compensation consists of:

- base salary,
- annual performance bonus,
- long-term incentives, which may be comprised of grants of restricted share units, performance share units, performance cash and stock options, and
- other compensation, including Company contributions to savings plans, pension plans, and life insurance premiums.

Our Executive Management Team is comprised of our Chief Executive Officer, our President and Chief Operating Officer and our Chief Financial Officer.

For a detailed description of our compensation principles currently in effect for the Executive Management Team (and our other Named Executive Officers who are not members of the Executive Management Team), please refer to the section of this proxy statement under the caption: "Compensation Discussion and Analysis." We recommend that our shareholders read our Articles of Association and the Compensation Discussion and Analysis to understand our Executive Management Team compensation principles and process when considering this proposal. The actual amounts paid to each member of the Executive Management Team for fiscal years 2020-2022 are disclosed in this proxy statement under the caption: "Executive Compensation—Summary Compensation Table," and for fiscal years 2021 and 2022 in our Swiss Compensation Report under the caption: "Executive Management Team Compensation."

In addition to this binding vote on maximum Executive Management Team compensation, shareholders have had the opportunity since 2011 under U.S. law, subject to an advisory vote by shareholders and a determination by the Board of Directors as to the frequency of such opportunity, to cast a retrospective advisory vote to approve the compensation paid to our Named Executive Officers (including our Executive Management Team members) for the fiscal year preceding the annual general meeting. Since 2011, our shareholders have consistently expressed their support for the Company's executive compensation principles, and for the prior six

fiscal years the shareholder approval levels have been 96% or higher. Our shareholders are again provided the opportunity to cast a retrospective advisory vote to approve the compensation paid to our Named Executive Officers (including our Executive Management Team members) for fiscal year 2022, as is explained in detail in Agenda Item 11.

The proposed maximum aggregate amount of compensation for the Executive Management Team for fiscal year 2024 is derived substantially from the Company's executive compensation program receiving strong historical shareholder support as noted above. Consistent with the Company's historical practice in setting executive compensation, as reflected in the Compensation Discussion and Analysis, we do not anticipate that the aggregate amount actually paid to our Executive Management Team members for fiscal year 2024 will be at the proposed maximum aggregate amount.

PROPOSAL FOR RATIFICATION OF MAXIMUM AGGREGATE AMOUNT

The Board of Directors proposes that the shareholders ratify an amount of \$26,000,000, excluding employer-paid social taxes, as the maximum aggregate amount of compensation of the Executive Management Team for fiscal year 2024. This amount is the maximum amount that the Company can pay or grant to its members of the Executive Management Team for fiscal year 2024, subject to the authority of the Board of Directors to grant or pay a "supplementary amount" pursuant to article 29c of our Articles of Association without additional shareholder ratification to persons who newly assume an Executive Management Team function after the prospective vote at the 2023 Annual General Meeting.

The proposed maximum aggregate amount of compensation for fiscal year 2024 is based on our estimated compensation levels and represents no change from the maximum aggregate amount of compensation for fiscal year 2023, which was approved by shareholders at last year's annual general meeting.

Shareholder approval is based on the maximum aggregate amounts that could be payable in accordance with our compensation principles as set out in the Compensation Discussion and Analysis. Therefore, actual aggregate amounts paid to our Executive Management Team members for fiscal year 2024 will fall within the range that may be payable. Although historical compensation paid to our Executive Management Team, as disclosed in the Swiss Compensation Report, has been less (2022: \$22,233,838) than the maximum amount payable (2022: \$24,000,000), we request our shareholders approve the proposed maximum aggregate amount in order to comply with our Articles of Association and to ensure that the authorized compensation is set at a level that allows us to honor the compensation obligations under our compensation program and plans if the Executive Management Team or its individual members deliver superior performance and achieve all of the performance objectives at maximum performance level.

Actual compensation paid to the Executive Management Team in 2024 will be disclosed in the proxy statement for our 2025 Annual General Meeting and the Swiss Compensation Report for fiscal year 2024.

RECOMMENDATION

The Board of Directors recommends that you vote
FOR this Agenda Item 13B.

AGENDA ITEM 14

Approval of (A) Amendment and Restatement of Transocean Ltd. 2015 Long-Term Incentive Plan and (B) Capital Authorization for Share-Based Incentive Plans

PROPOSAL OF THE BOARD OF DIRECTORS

14A Approval of Amendment and Restatement of Transocean Ltd. 2015 Long-Term Incentive Plan

The Board of Directors proposes that our shareholders approve the amendment and restatement of the Transocean Ltd. 2015 Long-Term Incentive Plan, as amended and restated effective May 27, 2021 (the "2015 LTIP"). The proposed amendment would increase the number of shares available for issuance under the 2015 LTIP by 30,000,000 shares.

EXPLANATION

In order to effectively execute our business strategy, it is essential for us to manage our talent in an industry where there is intense competition for qualified individuals. We need to (i) attract highly qualified new industry professionals and (ii) reward and retain our experienced professionals. We believe that the issuance of equity-based incentive compensation is a key component of our comprehensive human resource strategy, and that equity-based incentives promote and sustain the progress, growth and profitability of the Company by:

- attracting, motivating and retaining individuals of high ability;
- reinforcing a pay-for-performance culture;
- aligning the interests of our employees with that of the Company; and
- providing incentives and rewards to employees who are in a position to contribute to the success and long-term objectives of the Company.

The competition for highly-qualified talent has increased the importance of equity-based compensation as a key component for employee recruitment and retention and the need for available shares under an equity compensation plan. The Company granted awards under the 2015 LTIP to 150 individuals in 2022; six of whom were Executive Officers and 10 of whom were non-employee directors.

We believe we have demonstrated our commitment to sound equity compensation practices. Management and our Board of Directors are cognizant of the expense attributable to compensatory share awards, as well as dilution, and strive to maintain both at appropriate levels in order to realize the significant motivational and performance benefits that may be achieved from making such awards.

As of February 13, 2023, we determined that the dilution attributed to the 2015 LTIP was approximately 3.63% and would increase to approximately 7.69% upon approval of 30,000,000 additional share reserves. The three-year average annual percentage of the Company's outstanding shares issued under equity incentive plans or the Company's "burn rate" was 1.31%, well below the Institutional Shareholder Services ("ISS") benchmark for our industry of 2.29%. We believe that it is important that meaningful equity-based long-term incentives remain a significant element of our compensation program throughout the business cycle of our industry. We may also increase cash compensation during such periods relative to our historical practices to limit the amount of dilution from equity awards.

The table below shows information as of March 16, 2023, with regard to all of our share-settled equity plans:

Total Stock Options Outstanding	4,083,929
Total Restricted Share Awards/Units Outstanding	11,895,138
Total Performance Share Awards/Units Outstanding	8,457,661
Total Common Shares Outstanding	731,847,899
Weighted-Average Exercise Price of Stock Options Outstanding	\$9.54
Weighted-Average Remaining Duration of Stock Options Outstanding	4.72 years
Total Shares Available for Issuance Under the 2015 LTIP	1,939,243

DESCRIPTION OF THE 2015 LTIP

The Company believes that the 2015 LTIP incorporates state-of-the-art governance best practices, and a summary description of the material features of the 2015 LTIP is set forth below.

The 2015 LTIP plan document is attached to this proxy statement as Appendix B and is incorporated by reference into this proposal. As further described below, the 2015 LTIP will be amended and restated to provide for an increase of 30,000,000 shares available for issuance as long-term incentive awards.

Highlights of the 2015 LTIP include:

- *Fungible share pool.* The 2015 LTIP uses a fungible share pool under which each share issued pursuant to a restricted share award or restricted share unit (including performance awards) will reduce the number of shares available under the 2015 LTIP by 1.68 shares, and each share issued pursuant to awards other than restricted share awards and restricted share units will reduce the number of shares available by 1.0 share.
- *No liberal share counting.* The 2015 LTIP prohibits the reuse of shares withheld or delivered to satisfy the exercise price of, or to satisfy tax withholding requirements for any awards under the 2015 LTIP. The 2015 LTIP also prohibits “net share counting” upon the exercise of options or stock appreciation rights (or SARs) and the use of shares reacquired in the open market or otherwise using cash proceeds from the exercise of stock options.
- *No repricing or reloading of stock options or SARs; no cash outs.* The 2015 LTIP prohibits the direct or indirect repricing of stock options or SARs without shareholder approval and also prohibits the repurchase by the Company of outstanding stock options or SARs with an exercise price higher than the current fair market value.
- *Clawback.* All equity awards allow for the cancellation of outstanding awards for actions that are inconsistent with our Code of Integrity.
- *No discounted stock options or SARs.* All stock options and SARs must have an exercise price or base price *equal* to or greater than the fair market value of the underlying shares on the date of grant.
- *Definition of change of control.* The 2015 LTIP defines “change of control” in a manner such that a *change* of control would not be deemed to occur until the actual consummation of the event that results in the change of control.
- *No automatic vesting on a change of control.* The terms of the 2015 LTIP do not provide for automatic single-trigger vesting upon the occurrence of a change of control. The 2015 LTIP was further amended in 2020 to remove broad Compensation Committee discretion to treat a change of control as a specific vesting event.

- *Minimum vesting.* All awards shall have a minimum vesting period or restriction period of one year from grant date; provided, however, that awards with respect to up to five percent (5%) of the shares available for awards may be issued without regard to this limitation.
- *No dividends or dividend equivalents on options, SARs or unvested awards.* The terms of the 2015 LTIP do not permit dividends or dividend equivalents to be made a part of an award of stock options or SARs and do not permit payment of dividends or dividend equivalents with respect to any awards that are unvested. The terms of the 2015 LTIP, as amended in 2020, clarified that no dividends shall be paid with respect to unvested restricted shares and no dividend equivalents shall be paid with respect to unvested restricted share units or performance unit awards.
- *Administered by an independent committee.* The Compensation Committee, which is made up entirely of independent directors, has ultimate administration authority for the 2015 LTIP.

Shares Available for Award and Share Counting

When originally adopted, the 2015 LTIP reserved a total of 19,500,000 shares for awards, plus the remaining shares from a prior long-term incentive plan that had not been granted. In 2018, 2020 and 2021, amendments to the plan were approved for additional reserves in the aggregate amount of 12,000,000, 30,000,000 and 23,000,000 shares, respectively. Subject to shareholders' approval of the proposed amendment and restatement of the 2015 LTIP, an additional 30,000,000 shares will be reserved for awards under the 2015 LTIP.

Awards under the 2015 LTIP will reduce the shares available for grant under the 2015 LTIP as follows: each share issued pursuant to a restricted share award or restricted share unit will reduce the number of shares available under the 2015 LTIP by 1.68 shares, and each share issued pursuant to awards other than restricted share awards and restricted share units will reduce the number of shares available by 1.0 share.

Any of the authorized shares may be used for any of the types of awards described in the 2015 LTIP. Shares related to performance awards that are payable solely in cash, which include performance share units to be awarded under the 2015 LTIP, will not be counted against the aggregate number of shares available under the 2015 LTIP. The aggregate fair market value of awards of options and SARs that may be granted to any employee in any calendar year each may not exceed \$10,000,000 taking into account the grant date value of the shares subject to such awards without regard to the exercise price associated with such awards. No employee may be granted restricted shares, restricted share units or other share-based awards with an aggregate fair market value in excess of \$10,000,000, taking into account the grant date value of the shares subject to such awards. In addition, the maximum amount that may be granted to an employee pursuant to awards that may be settled in cash in any calendar year may not exceed grant date value of \$5,000,000. The maximum award value that may be granted to a non-employee director in any calendar year may not exceed \$1,000,000.

If any shares subject to an award under the 2015 LTIP are forfeited, expire, are settled for cash or otherwise cancelled, then, in each case, the shares subject to the award may be used again for awards under the 2015 LTIP to the extent of the forfeiture, expiration, cash settlement or cancellation. The shares will be added back as (a) 1.68 shares for every share if the shares were subject to restricted share awards, restricted share units or performance units granted and (b) as 1.0 share for every share if the shares were subject to awards other than restricted share awards, restricted share units or performance units granted.

The following shares will not be added to the shares authorized for grant as described above:

- (i) shares tendered by the participant or withheld by us in payment of the purchase price of an option;
- (ii) shares tendered by the participant or withheld by us to satisfy any tax withholding obligation with respect to an award;
- (iii) shares that are not issued due to net settlement of an award; and

- (iv) shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of options.

The 2015 LTIP provides for appropriate adjustments in the event of a merger, demerger, consolidation, recapitalization, stock split, combination of shares, plan of exchange, share dividend or similar transaction involving the Company.

Administration

The Compensation Committee of the Board of Directors has overall authority to administer the 2015 LTIP. The Board may designate another committee or committees to administer the 2015 LTIP.

Eligible Participants

All employees of the Company or any of its subsidiaries and all non-employee directors are eligible to participate in the 2015 LTIP.

Types of Awards

The 2015 LTIP authorizes the issuance of the following types of awards:

- *Nonqualified and Incentive Stock Options.* Nonqualified stock options and incentive stock options may be granted under the 2015 LTIP. The exercise price of options may not be less than the fair market value of our shares on the date of grant and no option may be exercised after the expiration of 10 years from the date of grant. The fair market value of our shares is determined by reference to the reported closing price on the NYSE. An option may be exercised only to the extent that the option is vested in accordance with a schedule determined by the Compensation Committee in its sole discretion.
- *Stock appreciation rights or SARs.* SARs may be granted to participants under the 2015 LTIP. The exercise price of a SAR may not be less than the fair market value of our shares on the date of grant and no SAR may be exercised after the expiration of 10 years from the date of grant. The payment of the appreciation associated with the exercise of a SAR will be made by the Company in shares of our common stock or in cash as determined by the Compensation Committee. A SAR may be exercised only to the extent that the SAR is vested in accordance with a schedule determined by the Compensation Committee in its sole discretion.
- *Restricted share awards and restricted share units.* Restricted share awards and restricted share units, or RSUs, may be granted under the 2015 LTIP. Restricted share awards and RSUs granted under the 2015 LTIP will vest in accordance with a schedule or achievement of certain performance or other criteria as determined by the Compensation Committee. Upon termination of service or employment prior to vesting, the restricted shares or RSUs will be forfeited, unless otherwise determined by the Compensation Committee. The Compensation Committee has the discretion to grant a holder of restricted shares the right to vote such shares and to receive dividends, provided that no dividends may be paid with respect to unvested restricted shares. RSUs do not entitle a holder to any of the rights of a shareholder with respect to the shares; however, the Compensation Committee has the discretion to grant dividend equivalents with respect to the RSUs provided that no dividend equivalents may be paid with respect to an RSU that has not vested.
- *Performance awards.* Performance awards may be granted under the 2015 LTIP. Performance awards issued under the 2015 LTIP will become payable in accordance with the achievement of certain performance or other criteria as determined by the Compensation Committee, provided that a performance period may be no less than one year in duration. Performance measures may be based on the achievement of one or more of the following: (1) increased revenue; (2) net income measures (including but not limited to income after capital costs and income before or after taxes); (3) share price measures (including but not limited to growth measures and total shareholder return); price per share; market share; earnings per share (actual or targeted growth); (4) earnings before interest, taxes, depreciation, and amortization ("EBITDA"); (5) economic value added (or an equivalent

metric); (6) market value added; (7) debt to equity ratio; (8) cash flow measures (including but not limited to cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities, cash flow value added, cash flow return on market capitalization); (9) return measures (including but not limited to return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity); (10) operating measures (including operating income, funds from operations, cash from operations, after-tax operating income; sales volumes, production volumes and production efficiency); (11) expense measures (including but not limited to overhead cost and general and administrative expense cost control and project management); (12) margins; (13) shareholder value; (14) total shareholder return; (15) proceeds from dispositions; (16) total market value and corporate values measures (including ethics compliance, environmental, human resources development and safety); and (17) any other measure as determined by the Compensation Committee.

- *Cash awards.* Cash awards may be granted under the 2015 LTIP and may be made subject to a vesting schedule or other performance measures as determined by Compensation Committee.

Minimum Vesting Requirements

All awards shall have a minimum vesting period or restriction period of one year from the grant date; provided, however, that awards with respect to up to five percent (5%) of the shares available for awards may be issued without regard to such limitations.

Prohibitions Related to Stock Options and SARs

Unless the approval of shareholders is obtained first, the 2015 LTIP does not permit (a) repricing of stock options or SARs after the grant date, (b) accepting outstanding stock options or SARs for surrender as consideration for the grant of a new option or SAR with a lower exercise price or for the grant of another award, (c) repurchasing from award recipients any outstanding stock options or SARs that have an exercise price higher than the current fair market value of a share, or (d) granting any stock option or SAR that contains a "reload" feature under which additional stock options, SARs or other awards are granted automatically upon exercise of the original stock option or SAR. The 2015 LTIP also prohibits dividends and dividend equivalents with respect to stock options and SARs.

Treatment of Awards Upon Certain Events

Retirement, Death, or Disability. The Committee may, in its sole discretion, accelerate the vesting of unvested awards or waive, eliminate or make less restrictive the restrictions or provisions governing awards or otherwise amend or modify awards in the case of retirement from employment or service on the Board, death, disability, or any other termination event, except that any modification may not be materially adverse to the award recipient unless the recipient has consented to the modification or the modification relates to a merger, reorganization or similar transaction.

Termination and Agreement

The 2015 LTIP may be terminated or amended by the Board. Shareholder approval is required for any amendment to the 2015 LTIP if (i) such approval is necessary or desirable to qualify or comply with any tax or regulatory requirement for which or with which the Board of Directors deems it necessary or desirable to qualify or comply; or (ii) in the opinion of counsel to the Company, shareholder approval is required by any federal or state laws or regulations or the rules of any stock exchange on which the shares may be listed.

Transferability

Awards are not transferable except by will or by the laws of descent and distribution.

U.S. Federal Income Tax Consequences

Under current federal tax law, the following are the U.S. federal income tax consequences generally arising with respect to restricted shares, performance shares, options and other awards granted under the 2015 LTIP. The discussion is not a complete analysis of all federal income tax consequences and does not cover all specific transactions which may occur.

Absent the filing of a Section 83(b) election with the IRS, no income will be recognized by a participant for U.S. federal income tax purposes upon the grant of restricted shares, performance shares or other stock awards. Upon the vesting of a restricted stock award and transfer of stock or cash in connection with an RSU for which no payment was made by the participant, the participant will recognize ordinary income in an amount equal to the fair market value of the shares. Income recognized upon vesting by, and transfer of shares to, a participant who is an employee will be considered compensation subject to withholding at the time the income is recognized and, therefore, the Company must make the necessary arrangements with the participant to ensure that the amount of tax required to be withheld is available for payment. Stock awards provide the Company with a deduction equal to the amount of income recognized by the participant, subject to certain deduction limitations. A participant's adjusted basis in the shares received through stock awards is equal to any ordinary income related to the award recognized by the participant. If a participant thereafter sells the shares, any amount realized over (under) the adjusted basis of the shares will constitute capital gain (loss) to the participant for U.S. federal income tax purposes. If a participant forfeits an award prior to its vesting, the participant will not recognize any ordinary income as a result of such forfeiture, and no deduction will be provided to the Company.

Upon the grant of restricted shares, the participant may file an election under Section 83(b) of the Internal Revenue Code (the "Code") to accelerate the recognition of ordinary income to the grant date of the award. Such ordinary income is equal to the fair market value of the shares on the grant date (assuming no payment by the participant for the shares) and is considered compensation subject to withholding for employees.

There are no tax consequences associated with the grant or exercise of an incentive stock option. If a participant holds the shares acquired upon the exercise of an incentive stock option for at least one year after exercise and two years after the grant of the option, the participant will recognize capital gain or loss upon sale of the shares equal to the difference between the amount realized on the sale and the exercise price. If the shares are not held for the required period, the participant will recognize ordinary income upon disposition in an amount equal to the excess of the fair market value of the shares on the date of exercise over the exercise price, up to the amount of the gain on disposition. Any additional gain realized by the participant upon disposition will be capital gain. The excess of the fair market value of shares received upon the exercise of an incentive stock option over the option price for the shares is a preference item for purposes of the alternative minimum tax. An expense deduction by the Company in connection with the exercise of an incentive stock option is not allowed unless the participant recognizes ordinary income.

Generally, no income will be recognized by a participant for U.S. federal income tax purposes upon the grant of a nonqualified stock option. Upon exercise of a nonqualified stock option, the participant will recognize ordinary income in an amount equal to the excess of the fair market value of the shares on the date of exercise over the amount of the exercise price. Income recognized by a participant who is an employee, upon the exercise of a nonqualified stock option, will be considered compensation subject to withholding at the time the income is recognized and, therefore, the Company must make the necessary arrangements with the participant to ensure that the amount of tax required to be withheld is available for payment. Nonqualified stock options provide the Company with a deduction equal to the amount of income recognized by the participant, subject to certain deduction limitations. The adjusted basis of shares transferred to a participant pursuant to the exercise of a nonqualified stock option is the price paid for the shares plus an amount equal to any income recognized by the participant as a result of the exercise of the option. If a participant thereafter sells shares acquired upon exercise of a nonqualified stock option, any amount realized over (under) the adjusted basis of the shares will constitute capital gain (loss) to the participant for U.S. federal income tax purposes.

If a participant surrenders shares which the participant already owns as payment for the exercise price of a stock option, the participant will not recognize gain or loss as a result of such surrender. The number of shares received upon exercise of the option equal to the number of shares surrendered will have a tax basis equal to

the tax basis of the surrendered shares. The holding period for such shares will include the holding period for the shares surrendered. The remaining shares received will have a basis equal to the amount of income the participant recognizes upon receipt of such shares. The participant's holding period for such shares will commence on the day after such exercise.

Generally, no income will be recognized by a participant for U.S. federal income tax purposes upon the grant of a SAR. Upon exercise of a SAR, the participant will recognize ordinary income in an amount equal to the excess of the fair market value of the shares on the date of exercise over the amount of the exercise price. Income recognized by a participant who is an employee, upon the exercise of a SAR, will be considered compensation subject to withholding at the time the income is recognized and, therefore, the Company must make the necessary arrangements with the participant to ensure that the amount of tax required to be withheld is available for payment. SARs provide the Company with a deduction equal to the amount of income recognized by the participant, subject to certain deduction limitations. The adjusted basis of shares transferred to a participant pursuant to the exercise of a SAR is the price paid for the shares plus an amount equal to any income recognized by the participant as a result of the exercise of the SAR. If a participant thereafter sells shares acquired upon exercise of a SAR, any amount realized over (under) the adjusted basis of the shares will constitute capital gain (loss) to the participant for U.S. federal income tax purposes.

Upon the receipt of a cash award, the participant will recognize ordinary income in an amount equal to the cash received. Income recognized upon the receipt of a cash award by a participant who is an employee will be considered compensation subject to withholding at the time the cash is received and, therefore, the Company must properly withhold the required tax.

Code Section 162(m) limits the annual tax deduction to \$1 million for compensation paid by a publicly held company to its chief executive officer, its chief financial officer, and certain of the company's other current and former executive officers.

Code Section 409A generally provides that any deferred compensation arrangement must satisfy specific requirements, both in operation and in form, regarding (1) the timing of payment, (2) the election of deferrals, and (3) restrictions on the acceleration of payment. Failure to comply with Code Section 409A, if applicable, may result in the early taxation (plus interest) to the participant of deferred compensation and the imposition of a 20% penalty and an interest charge penalty on the participant's deferred compensation income. The Company intends to structure awards under the 2015 LTIP in a manner designed to be exempt from or compliant with Code Section 409A.

WHY SHOULD YOU VOTE TO APPROVE THE AMENDMENT?

- *We must attract, motivate and retain individuals of high ability.* The ability to issue equity is fundamental to our compensation strategy. Our success is dependent, in large part, on our ability to use equity compensation to attract, motivate and retain experienced and highly capable people.
- *We have a disciplined annual share granting practice.* Our burn rate has averaged 1.31% over the past three years. For comparison purposes, our average burn rate over the past three and five years are both well below the ISS cap of 2.29% for Russell 3000 companies in the energy industry.
- *Without equity compensation, we could lose employees or be forced to pay more compensation in cash.* If equity compensation is not available, we could face the choice of losing our most valuable employees or using cash-based long-term incentives to compensate employees, which would not be the best use of our liquidity during this difficult market period and could result in a misalignment of the interests of our employees and shareholders.
- *We use equity compensation to align employee and shareholder interests.* Equity compensation is a critical means of aligning the interests of our employees with those of our shareholders and provides a strong pay-for-performance link between the compensation provided to executives and the Company's performance.
- *We grant shares that must be earned by our executives.* Over one-half of the value of awards to our Named Executive Officers are subject to achieving a pre-determined level of shareholder returns compared to our industry peer group.
- *We have equity ownership requirements.* We apply meaningful ownership requirements to our executives to ensure a significant ownership stake in our Company. This *further* aligns the interests of our executives with those of our shareholders.
- *The 2015 LTIP incorporates state-of-the-art governance best practices.* The 2015 LTIP meets governance best practices standards for employee incentive plans.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** this Agenda Item 14A.

14B Approval of Capital Authorization for Share-Based Incentive Plans

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that its authority to issue shares using a capital authorization to satisfy the Company's equity incentive plans obligations be approved, and any share issuances thereunder be limited to 30,000,000 shares, corresponding to approximately 3.8% of the Company's issued share capital as of March 16, 2023, for a five-year period expiring on May 11, 2028.

The proposed amendments to the Articles of Association in respect of this Agenda Item 14B are included in Annex B.

EXPLANATION

The Board of Directors believes that it is advisable for the Company to be able to satisfy its obligations to deliver shares under its equity incentive plans in effect from time to time. The number of shares that the Company is seeking authorization to issue under the capital authorization described in this Agenda item 14B is equivalent to the number of shares that would be issuable under the 2015 LTIP, if our shareholders approve Agenda item 14A. All shares under the proposed authorization would be issuable without advance subscription rights or preemptive rights as provided for in our Articles of Association in accordance with the Swiss Code, and used to satisfy the share delivery requirements pursuant to the Company's equity incentive plans.

As of March 16, 2023, the issued share capital of the Company consisted of 797,245,335 shares. The current proposal would grant the Company authority to issue 30,000,000 additional shares pursuant to this authorization for a five-year period expiring May 11, 2028.

RECOMMENDATION

The Board of Directors recommends that you vote **FOR** this Agenda Item 14B.

AGENDA ITEM 15

Approval of Amendments to Articles of Association to Reflect New Swiss Corporate Law and Make Certain Related Changes

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes that our shareholders approve amendments to the Company's Articles of Association to align them with the changes that were made to Swiss corporate law effective on January 1, 2023, and make certain related changes.

The proposed amendments to the Articles of Association are included in Annex C.

EXPLANATION

Effective January 1, 2023, parts of the Swiss Code were amended, resulting in certain changes to Swiss corporate law that impact or otherwise will require amendments to our Articles of Association. Accordingly, we have proposed to update our Articles of Association and make them consistent with the new Swiss corporate law as reflected in the Swiss Code. The proposed amendments to our Articles of Association are summarized below. Please refer to Annex C for the full text of the proposed amendments to our Articles of Association.

Information and documentation available prior to the Annual General Meeting (Article 11)

This change would permit the Company to make its annual report, financial statements (including the audit reports thereon), Swiss compensation report and, if applicable, report on non-financial matters pursuant to article 964c of the Swiss Code available to shareholders by posting them electronically (e.g., on the Company's website) rather than making them available for physical inspection at the Company's registered office. It is also no longer required that the Company give shareholders of record written notice of the availability of these documents.

Rights of shareholders to request that a general meeting be convened (Article 12 para. 2)

Until recently, Swiss corporate law has granted shareholders holding, alone or together with other shareholders, 10% or more of a company's share capital a right to request that the company's board of directors call a general meeting of shareholders. Under the new Swiss corporate law, this threshold has been reduced from 10% to 5% of a company's share capital or voting rights. We have updated Article 12 accordingly.

Form of general meeting notice (Article 13 para. 1; Article 33 para. 1 and 2)

Under the new Swiss corporate law, Swiss companies have more flexibility in how they give notice of the general meeting of shareholders. Previously, notice had to be published in the Swiss Official Gazette of Commerce, and, in some cases, individual written notice had to be given to shareholders of record. We are proposing a change to allow the notice of the general meeting of shareholders be provided through alternative means as may be determined by the Board of Directors, such as through the publication of our proxy statement in accordance with SEC rules and regulations.

General meeting authorities (Article 19, Article 29a para. 5a)

The new Swiss corporate law grants shareholders several new rights, regarding the:

- Approval of dividend distributions based on the Company's statutory interim financial statements in addition to the statutory annual financial statements (as currently permitted);
- Confirmation that distributions may be paid from capital contribution reserves; and

AGENDA ITEM 15

- Authorization for delisting shares from a stock exchange, which was previously an authority of the Board of Directors.

Additionally, beginning in fiscal year 2024, Swiss companies will be required to submit an annual non-financial matter report to shareholders for approval. The report will cover topics, such as environmental and social issues, labor issues, respect for human rights and anti-corruption efforts.

If shareholders approve variable compensation at the annual general meeting prospectively, the Swiss Statutory Compensation Report on the compensation of members of the Board of Directors and the Executive Management Team during the preceding fiscal year (the “Swiss Compensation Report”) must be submitted to an advisory shareholder vote. At our annual general meetings, we seek approval for the maximum aggregate compensation of the Board of Directors for its next term and the Executive Management Team for the next fiscal year, which requires us to submit the Swiss Compensation Report to an advisory vote. We are complying with this requirement at this annual meeting.

Additional shareholder resolutions subject to a qualified majority (Article 20)

The revised Swiss corporate law has introduced new matters that are subject to the approval of the shareholders at general meetings, some of which require a qualified majority of two-thirds of the votes and an absolute majority of the nominal value represented at the general meeting to approve. Such matters include reverse stock splits, a change of currency of the share capital, or a delisting of shares from a stock exchange. In our proposed amendment to Article 20, we replicate these statutory qualified majorities. As this is simply an implementation of the new corporate law, the shareholder resolution to amend Article 20 is subject to a majority of the votes cast standard.

Consideration payable for a non-competition undertaking of an Executive Management Team member (Article 29d)

Under previous Swiss corporate law, companies were permitted to enter into post-employment non-competition agreements with executives, without limitations on the amount of consideration that could be paid. The new Swiss corporate law now sets a maximum amount of consideration that can be paid for such non-competition agreements, equal to the average compensation paid to the executive during the last three fiscal years. We have proposed amending our Articles of Association to reflect this change in law for our Executive Management Team members.

Positions outside the group (Article 29e)

Before, Swiss corporate law limited the number of positions that board or executive management team members of Swiss companies could hold at other enterprises. The new Swiss corporate law has clarified that this restriction only applies to “positions in comparable functions at other enterprises with an economic purpose.” We propose to update our Articles of Association to reflect this definition.

RECOMMENDATION

The Board of Directors recommends a vote **FOR** this Agenda Item 15.

CORPORATE GOVERNANCE

WE ARE COMMITTED TO UPHOLDING HIGH STANDARDS OF CORPORATE GOVERNANCE AND BUSINESS CONDUCT AND BELIEVE THAT OUR ACTIONS HAVE REFLECTED OUR LONG-STANDING ADHERENCE TO THOSE HIGH STANDARDS.

- We annually review and, as necessary, update our Corporate Governance Guidelines and our Code of Integrity.
- We conduct online mandatory training for our employees and officers on our Code of Integrity and other relevant compliance topics.
- We also require all of our officers and managerial and supervisory employees to certify compliance with our Code of Integrity each year and to proactively report any non-compliance they may discover.
- Management and the Board of Directors solicit and are responsive to shareholder feedback that informs our governance practices.

The Corporate Governance Committee of the Board of Directors evaluates the Company's and the Board of Directors' governance practices and formally reviews, at least annually, all committee charters, with recommendations from the various committees of the Board of Directors, and the Board of Directors' governance principles. The Corporate Governance Committee receives updates at each meeting regarding new developments in the corporate governance arena. Our Corporate Governance Guidelines and committee charters also require, among other things, that each committee and the Board of Directors annually conduct a self-evaluation of their own performance. The evaluation provides an opportunity for an assessment of each member of the Board of Directors.

Director Share Holding Requirement

Non-Management Director	5X Annual Cash Retainer
Chief Executive Officer	6X Base Pay

We have equity ownership guidelines for directors that require each current non-management director to acquire and retain a number of our shares and/or restricted units at least equal in value to an amount five times the director's annual cash retainer. Each new director is required to acquire and retain such number of shares, and/or restricted units during his or her initial five years as a director. Jeremy D. Thigpen, our Chief Executive Officer, is subject to separate officer share ownership guidelines providing for a more stringent requirement of six times his base pay. In connection with such ownership requirement, the Board of Directors currently grants restricted share units to each of our non-management directors. See Compensation Discussion and Analysis for more information about these guidelines.

Restrictions on Pledging, Hedging and Margin Accounts

Pursuant to our Insider Trading Policy, employees, officers and directors are restricted from pledging, hedging or holding shares in a margin account.

Governance Documents

Our current governance documents may be found on our website at: www.deepwater.com by selecting the Governance page in the Investors section dropdown. Among the information you can find there is the following:

Articles of Association	Organizational Regulations	Corporate Governance Guidelines
Audit Committee Charter	Corporate Governance Committee Charter	Compensation Committee Charter
Finance Committee Charter	Health, Safety, Environment and Sustainability Committee Charter	Mission Statement
FIRST <i>Shared Values</i>	Code of Integrity	Gender Pay Gap Regulations
Modern Slavery and Human Trafficking Statement	Tax Principles Statement	Human Rights Policy
Sustainability Report	HSE Policy	Quality Policy

Information contained on our website is not part of this proxy statement.

Sustainability

As a business in the energy industry, we must operate with integrity, discipline and an unconditional respect for our people, our communities and our environment. Our Senior Vice President, Human Resources, Sustainability and Communications partners with our other functional leadership to manage and execute our sustainability program, including investments in:

- Technologies that improve the safety, reliability and efficiency of our assets and to reduce the impact our operations have on the environment.
- Safety and training programs and tools to protect our people, assets and the environments in which we operate.
- Recruiting, developing, retaining and motivating the industry's most talented and diverse workforce.
- Benefits to promote employee health, well-being and financial security.
- Programs to support the global communities in which we operate.

Importantly, the Board of Directors has primary responsibility for oversight of our sustainability program through its Health, Safety, Environment and Sustainability ("HSES") Committee. The HSES Committee receives quarterly updates from members of senior management on the Company's key environmental, safety and related metrics, and sustainability-related risks. In addition, the Audit Committee, together with management, annually reviews the Company's environmental, social and governance ("ESG") disclosures and the adequacy and effectiveness of internal controls related to such disclosures. The Board of Directors and Company management continue to monitor our sustainability practices and update policies and procedures, as appropriate, in order to maintain our high standards and achieve organizational goals.

We remain focused on achieving our 2030 sustainability goals, working alongside our customers to enhance our sustainability efforts and provide periodic updates on our progress in line with established reporting frameworks. In addition, we plan to efficiently align our sustainability framework to meet the requirements of applicable rules, regulations or other applicable reporting frameworks that may be adopted or amended from time to time, including the disclosure framework adopted by the Task Force on Climate-Related Financial Disclosures.

For more information on our sustainability efforts, please see our most recent sustainability report on our website by selecting the Sustainability, Health, Safety and Environment page from the “About” tab on deepwater.com and scrolling down to the sustainability report. Information, including our sustainability report, contained on or accessible from our website is not incorporated by reference into this proxy statement and should not be considered a part of this report or any other filing that we make with the SEC. Furthermore, references to our website URLs are intended to be inactive textual references only.

Environmental Stewardship

At Transocean, our approach to managing and minimizing our environmental impact and lowering our carbon footprint is driven by our pursuit of ever-greater operational efficiency and our continued focus on innovative technology to improve safety. Our President and Chief Operating Officer administers our Environmental Management System (“EMS”), which applies to all Transocean facilities onshore and offshore. These policies govern our management of waste, water and other resources in our facilities, aid in our compliance with all regulatory requirements, and guide our assessment of our environmental performance. Our EMS, paired with our Operations Management System, sets forth the standards and processes for how our teams identify, consider and mitigate potential environmental impacts when planning and executing our operations. Consistent with our internal policies, we maintain individual rig energy management plans, which are aligned with ISO 50001 and International Maritime Organization (IMO) SEEMP frameworks, for all active rigs. Through vessel maintenance and consistent adherence to our policies, our teams deliver safe, reliable and responsible operations – protecting each other and the environment.

Our Workforce and Our Community

Workforce Diversity

Our aim is to recruit, develop, and retain the best workforce in the offshore drilling industry. As a company with an international operational and customer base, we view the diversity of our workforce as a key factor in our success. We endeavor to provide those who work at Transocean with an inclusive, supportive, safe and respectful environment in which they can flourish personally and professionally. We periodically assess our workplace and adapt our practices and policies to ensure that our approach reflects contemporary norms and meets the needs and expectations of current and future talent.

Safety

Our safety vision is to conduct our operations in an incident-free workplace, all the time, everywhere. Underpinning this vision is our robust company management system, which details the policies and tools employed by our teams to complete their work safely, efficiently, and effectively. In 2022, our company TRIR of 0.21 improved on our prior year’s performance, demonstrating the consistency of our execution and prioritization of safety in all our operations. We extended our safety program to focus more on leading indicators of safety performance, and in particular, workplace assurance and verification conversations, branded as WorkSight. In tracking the frequency and quality of these conversations, our HSE team can proactively provide additional coaching and support to our offshore rig teams, and we are seeing positive trends in our safety performance, such as a decline in the severity of incidents.

For more information on our safety performance, please see our Compensation Discussion and Analysis.

Training

Our offshore Competency Assurance Management System is accredited by the Offshore Petroleum Industry Training Organization (“OPITO”) and ensures that offshore workers in critical positions are equipped to gauge the skills and competencies needed to perform the assigned role. Competency Assessment Programs and training requirements are specified on our corporate training matrix, which is reviewed and approved by our internal training board annually. Personnel are regularly trained in accordance with our matrix and assessed to ensure they maintain the knowledge needed to safely and effectively execute their job duties. Compliance with

the training matrix is managed and tracked to ensure that all employee skillsets and competencies remain current.

We address training requirements in an effective and pragmatic manner through a variety of mechanisms, including formal training courses, e-learning, virtual training simulations and supervised on-the-job training modules. To facilitate training during the pandemic, we prioritized the use of virtual and on-demand e-learning courses, reducing the need for travel and in-person formats. As pandemic travel restrictions have eased, we have maintained remote options and started to reintroduce in-person formats. Our training simulators at our Houston facility enhance crew education on the management of complex drilling, engineering and dynamic positioning scenarios. The training simulators also offer training on advanced well control techniques and facilitate the assessment of the competencies and knowledge of our crews in a zero-risk environment.

Social Responsibility/Community Partnership

We embrace our role as a global corporate citizen, and we aim to positively impact communities where we live and operate. Our investments continue to focus on education, health and well-being and environmental conservation and restoration.

Industry Leadership

As an industry leader, we are mindful of our responsibility in influencing and setting the standards that guide best practices. We continue to actively participate on committees and in events sponsored by:

- American Petroleum Institute
- Energy Education Foundation (formerly Oilfield Energy Center)
- International Association of Drilling Contractors
- International Marine Contractors Association
- The Ion Houston
- Greater Houston Partnership
- National Ocean Industries Association
- Offshore Energies UK (formerly OGUK)
- Rice University's Baker Institute for Public Policy Center for Energy Studies
- Society of Petroleum Engineers
- Women Offshore

Data Privacy and Information Security

Transocean's information security and safety culture includes a commitment to following cybersecurity best practices with both personal and business data. We have established protocols and technology focused on maintaining the privacy of personal information disclosed to us by employees, their families and other sources. We are also committed to maintaining the security and integrity of personal data regarding contractors, directors, shareholders and customers.

In addition, our safety culture extends to our digital assets. We maintain strong information security, cybersecurity principles and governance support to protect our rigs and the data processed throughout every aspect of our enterprise. Our Audit Committee meets quarterly with the Company's Chief Information Officer and Director of Cybersecurity to review any material cybersecurity matters that may affect the Company. Our principles and technologies enhance the resiliency of our operations and protect our business moving forward.

Risk Management

Executive management is responsible for the day-to-day management of the risks we face, while our Board of Directors, as a whole and through its various committees, has responsibility for the oversight of risk management for the Company. Through the Board of Directors' oversight role and review of management's active role, the directors seek to ensure that (1) the risk management processes designed and implemented by management (as more particularly described below) are adapted to and integrated with the Company's corporate strategy, (2) that those processes are functioning as designed, and (3) that steps are taken to foster a culture in which each employee understands his or her impact on the assessment and management of risk, his or her responsibility for acting within appropriate limits, and his or her ultimate accountability.

The Company has an enterprise risk management process and framework, which includes an Executive Risk Management Committee and a Risk Committee Working Group. The Executive Risk Management Committee is composed of members of senior management, including our Chief Executive Officer and other members of management in key functions of the Company. The duties of the Executive Risk Management Committee and the Risk Committee Working Group include the following:

- reviewing and approving appropriate changes to the Company's policies and procedures regarding risk management;
- identifying and assessing operational, commercial, strategic, financial, information security, cybersecurity, macroeconomic and geopolitical risks facing the Company;
- identifying risks and taking corrective actions, if appropriate; monitoring key indicators to assess the effectiveness and adequacy of the Company's risk management activities; and
- communicating with the Board of Directors at least once a year with respect to risk management.

The Executive Risk Management Committee and/or members of management present a report on risk management activities to the Board of Directors at least annually. The Risk Committee Working Group identifies risks facing the Company, makes an assessment of each risk, identifies preventive and mitigating controls and then makes recommendations for improvement opportunities to the Board of Directors or our Chief Executive Officer, as appropriate. Our management and Board of Directors continue to assess and respond to various risks that affect our industry, our company and our employees, including but not limited to, operational offshore drilling risks, public health issues, such as COVID-19, market fluctuations among commodities and the costs and accessibility of goods and services procured throughout our supply chain.

Compensation and Risk

We regularly assess risks related to our compensation programs, including our executive compensation programs. The Compensation Committee reviews information and solicits input from an independent compensation consultant regarding compensation factors, which could mitigate or encourage excessive risk-taking. In its review in 2022, the Compensation Committee considered the attributes of our programs, including the metrics used to determine incentive awards, the weight of each metric, the timing and processes for setting performance targets and validating results, the performance measurement periods and time horizons, the total mix of pay and the maximum compensation and incentive award payout opportunities. Based on the Committee's assessment, the Committee believes that the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse change on the Company.

Independence of Our Board of Directors

Our Corporate Governance Guidelines require that at least a majority of the members of the Board of Directors meet the independence standards set by the NYSE. In order to meet the NYSE's independence standards, a member of the Board of Directors must not have a relationship with the Company that falls within certain objective categories established by the NYSE. In addition, the Board of Directors must then affirmatively

determine, with respect to each director and nominee, that he or she did not otherwise have a material relationship with the Company. There is no family relationship between any of our directors.

The Board of Directors has determined that its current members and nominees, with the exception of Jeremy D. Thigpen (the Company's Chief Executive Officer), are independent and meet the applicable independence standards set by the NYSE, the SEC and our guidelines. Additionally, our Compensation, Audit and Corporate Governance Committees are composed solely of directors who meet the applicable NYSE and SEC independence standards for membership on these committees, including the enhanced independence standards required for Compensation and Audit Committee, as applicable.

In making its independence determinations, the Board of Directors considered the fact that certain directors, as described below, are or within the past three years have been directors or officers of, or have had relationships with, companies with which we conduct business in the ordinary course.

The Board of Directors also considered the transactions with these companies and believes they were on arm's-length terms that were reasonable and competitive.

- Since 2016, Mr. Curado has been a non-executive director of ABB Ltd, from which the Company has purchased rig-related services and equipment.
- Mr. Curado's son began working in General Electric's ("GE") corporate audit department in 2017. GE sold its interest in Baker Hughes in 2019 and his son continues to work as a finance manager for Baker Hughes. His son-in-law works as an engineer for Mitsubishi Industries. GE, Baker Hughes and Mitsubishi Industries provide services or products to the Company.
- From 2010 to 2022, Mr. Deaton served as a non-executive director of Air Products and Chemicals, Inc., from which the Company rented and purchased rig-related products and equipment.
- Mr. Dell'Osso's sister works as a managing director for Accenture AS, which has provided professional services to the Company.
- From 2007 to 2019, Ms. de Saint Victor was General Counsel and Company Secretary of ABB Ltd. She continued as Company Secretary of ABB Ltd. until March 31, 2020. The Company has purchased rig-related products and services from ABB Ltd.
- As of December 12, 2022, Mr. Mohn was the beneficial owner of approximately 82.9 million Company shares (including approx. 34.6 million shares issuable upon exchange of \$213,367,000 aggregate principal amount of Transocean Inc.'s 2.5% Senior Guaranteed Exchangeable Bonds due 2027 (the "2027 Exchangeable Bonds")), corresponding to approximately 11.32% of the Company's outstanding shares. The Board of Directors evaluated Mr. Mohn's overall beneficial ownership of shares and Exchangeable Bonds and concluded that his ownership of shares and Exchangeable Bonds is not a material relationship that would affect his independence or service as a director of the Company, and that he meets the standards for independence adopted by the SEC and the NYSE.
- Mr. Mohn owns a 13.33% interest in Liquila Ventures Ltd. ("Liquila"), a joint venture among Lime Rock Partners, Perestroika AS, and a subsidiary of Transocean formed to acquire the ultra-deepwater drillship *Deepwater Aquila*. Perestroika AS made a \$10 million cash investment in Liquila in exchange for a 13.33% interest noncontrolling interest in that company.
- Ms. Øvrum served as Executive Vice President of Equinor ASA, Development and Production Brazil until December 2021. Equinor, whose largest shareholder is the Government of Norway with 67% of its issued and outstanding shares, is one of our largest customers. Equinor accounted for approximately 25% of our consolidated operating revenues for the year ended December 31, 2022.
- Ms. Øvrum has served as a director of private company Fjordbase Holding since 2021 from which the Company has purchased rig-related services.
- Ms. Øvrum serves as a director of Harbour Energy, a customer of the Company, and Technip FMC from which the Company has purchased rig-related products and services.

Accordingly, the Board of Directors concluded that the relationships described above have no effect on the independence of these directors. Because of our extensive operations, transactions and director relationships, transactions of this nature are expected to take place in the ordinary course of business in the future.

Board Retirement

Pursuant to our Corporate Governance Guidelines, each member of our Board of Directors must retire from the Board of Directors at the annual general meeting following his or her 75th birthday or after he or she has served on the Board of Directors for 15 years, whichever occurs first.

Executive and Director Compensation Process

Our Compensation Committee has established an annual process for reviewing and establishing executive compensation levels. An outside consultant, Pay Governance LLC, retained by the Compensation Committee has provided the Compensation Committee with relevant market data and alternatives to consider in determining appropriate compensation levels for each of our executive officers. Pay Governance has served as the Compensation Committee's outside consultant since February 2011. Our Chief Executive Officer also assists the Compensation Committee in the process of setting the compensation for other executives. For a more thorough discussion of the roles, responsibilities and process we use for setting executive compensation, see "Compensation Discussion and Analysis."

Director compensation is set by the Board of Directors upon a recommendation from the Compensation Committee. Since 2015, director compensation is also subject to shareholder approval at the Company's annual general meetings. Each calendar year, the Compensation Committee reviews the compensation paid to our directors to be certain that it is competitive in attracting and retaining qualified directors. Pay Governance LLC, has gathered data regarding director compensation at (1) certain similar size companies in the general industry, as well as (2) the same peer group of companies generally utilized in the consideration of executive compensation, as set forth in the Compensation Discussion and Analysis. In February 2020, the Board of Directors approved a Compensation Committee recommendation to reduce the total annual compensation of the Chair of the Board of Directors by \$100,000. Additionally, following its consideration of market data from 2021, the Board of Directors approved a Compensation Committee recommendation to further reduce the total annual compensation of the Chair of the Board of Directors by an additional \$120,000 effective immediately following the 2022 Annual General Meeting.

Process for Communication by Shareholders and Interested Parties with the Board of Directors

The Board of Directors has established a process whereby interested parties may communicate with the Board of Directors and/or with any individual director. Interested parties, including shareholders, may send communications in writing, addressed to the Board of Directors or an individual director, to:



Transocean Ltd.
Attention: Corporate Secretary
Turmstrasse 30
6312 Steinhausen, Switzerland

The Corporate Secretary will forward these communications, as appropriate, to the addressee depending on the facts and circumstances outlined in the communication. The Board of Directors has directed the Corporate Secretary not to forward certain items, such as: spam, junk mailings, product inquiries, resumes and other forms of job inquiries, surveys and business solicitations. Additionally, the Board of Directors has advised the Corporate Secretary not to forward material that is illegal or threatening, but to make the Board of Directors aware of such material, and may request it be forwarded, retained or destroyed at the Board of Directors' discretion.

Policies and Procedures for Approval of Transactions with Related Persons

The Board of Directors has a written policy with respect to related person transactions pursuant to which such transactions are reviewed, approved or ratified. The policy applies to any transaction in which:

- (1) the Company is a participant,
- (2) any related person has a direct or indirect material interest, and
- (3) the amount involved exceeds \$120,000, but excludes any transaction that does not require disclosure under Item 404(a) of Regulation S-K. The Audit Committee, with assistance from the Company's General Counsel, is responsible for reviewing, approving and/or ratifying any related person transaction.

To identify related person transactions, each year we distribute and require our directors and executive officers to complete questionnaires identifying transactions with us in which the executive officer or director or their immediate family members have an interest. Quarterly, our directors and executive officers must re-affirm in writing that the information previously provided in their questionnaires remains accurate and complete, and provide updates regarding any related person relationships that may have arisen. Our Code of Integrity further requires that an executive officer inform the Company when the executive officer's private interest interferes or appears to interfere in any way with our interests. In addition, the Board of Directors' Corporate Governance Guidelines require that a director must immediately inform the Board of Directors or the Chair of the Board of Directors in the event that a director believes he or she has an actual or potential conflict with our interests. Furthermore, under our Organizational Regulations, a director must disclose and abstain from voting with respect to matters that feature unresolved conflicts of interest.

Under our related persons transaction policy, the Audit Committee considers all relevant facts and circumstances available, including the related persons involved, their relationship to the Company, their interest and role in the transaction, the proposed terms of the transaction (including expected aggregate value and value to be derived by the related person), the benefits to the Company, the availability to the Company of alternative means or transactions to obtain like benefits and the terms that would prevail in a similar transaction with an unaffiliated third party. For related person transactions that do not receive prior approval from the Audit Committee, the transactions are submitted to the Audit Committee to consider all relevant facts and circumstances and, based on its conclusions, evaluate all options, including, but not limited to, ratification, amendment or termination of the transaction. Since the beginning of 2022, there were no related person transactions where such policies and procedures were not followed.

Certain Relationships and Related Party Transactions

In connection with our acquisition of Songa in 2018, Mr. Mohn acquired beneficial ownership of \$355,813,000 aggregate principal amount of Transocean Inc.'s 0.5% Exchangeable Senior Bonds due 2023 (the "2023 Exchangeable Bonds"), including 2023 Exchangeable Bonds acquired by Perestroika AS (an entity affiliated with Mr. Mohn) as part of our private exchange offers undertaken to refinance certain of Songa's previously outstanding indebtedness. The 2023 Exchangeable Bonds were repaid at their maturity as of January 30, 2023. In connection with our acquisition of Songa, we also entered into a registration rights agreement with Perestroika AS. This registration rights agreement provides certain customary registration rights over the 2023 Exchangeable Bonds received as part of our private exchange offers undertaken to refinance certain of Songa's previously outstanding indebtedness and any shares and exchangeable bonds that Perestroika AS received in the acquisition as a former shareholder of Songa or that it may acquire in the future.

In August 2020, we completed a private exchange of \$355,611,000 aggregate principal amount of 2023 Exchangeable Bonds owned by Mr. Mohn, including 2023 Exchangeable Bonds owned by Perestroika AS, for \$213,367,000 original principal amount of 2027 Exchangeable Bonds. The 2027 Exchangeable Bonds bear interest at an annual rate of 2.5%, payable semiannually, and are exchangeable into shares of Transocean Ltd. In connection with the completion of this private exchange, we also entered into an amendment to the existing

registration rights agreement with Perestroika AS to reflect, among other things, that certain of the Company's shares issuable upon the exchange of the 2027 Exchangeable Bonds will be subject to registration rights.

In November 2022, Perestroika AS made a cash investment of \$10 million in Liquila in exchange for a 13.33% noncontrolling ownership interest in that company.

BOARD MEETINGS AND COMMITTEES

During 2022, the Board of Directors held four meetings. The Board of Directors, and the committees of the Board of Directors, met at least once a quarter, and such quarterly meetings generally occurred over a period of two days. Each of our directors attended at least 75% of the Board of Directors meetings and meetings of committees on which they served during 2022.

The Board of Directors has the following standing committees: Audit, Compensation, Finance, Corporate Governance, and Health, Safety, Environment and Sustainability. As noted above, the charters for these committees may be found on our website at: www.deepwater.com by selecting the Governance page in the Investors section dropdown. In addition, the Board of Directors may from time to time form special committees to consider particular matters that arise. Following the 2023 Annual General Meeting, the Board of Directors expects to complete its annual review of committee assignments.

COMMITTEES FOR 2022 AGM to 2023 AGM						
DIRECTOR	INDEPENDENT	AUDIT	COMPENSATION	FINANCE	CORPORATE GOVERNANCE	HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY
Glyn A. Barker	✓	 				
Vanessa C.L. Chang	✓	 				
Frederico F. Curado	✓					
Chadwick C. Deaton	✓					
Vincent J. Intrieri	✓					
Samuel J. Merksamer	✓					
Frederik W. Mohn	✓	 				
Edward R. Muller	✓					
Margareth Øvrum	✓					
Diane de Saint Victor	✓	 				
Jeremy D. Thigpen						
MEETINGS IN 2022		8	4	4	4	4



Committee Chair



Committee Member



Audit Committee financial expert (SEC and NYSE)



Independent, as determined by the Board of Directors in accordance with applicable rules and regulations



AUDIT COMMITTEE | Meetings in 2022: 8

MEMBERS

Vanessa C.L. Chang 
 Glyn A. Barker
 Frederik W. Mohn
 Margareth Øvrum
 Diane de Saint Victor

The Board of Directors requires that all members of the Audit Committee meet the financial literacy standard required under the NYSE rules and that at least one member qualifies as having accounting or related financial management expertise under the NYSE rules. In addition, the SEC has adopted rules requiring that we disclose whether or not the Audit Committee has an “audit committee financial expert” as a member. An “audit committee financial expert” is defined as a person who, based on his or her experience, possesses all of the following attributes:

- An understanding of generally accepted accounting principles and financial statements;
- The ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;
- Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and level of complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more persons engaged in such activities;
- An understanding of internal control over financial reporting; and
- An understanding of audit committee functions.

The person must have acquired such attributes through one or more of the following:

- Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
- Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
- Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
- Other relevant experience.

The Board of Directors has reviewed the criteria set by the NYSE and SEC and determined that each of the current members of the Audit Committee is “financially literate” and four of the members qualify as “audit committee financial experts.” In addition, the Board of Directors has determined that all of the current members of the Audit Committee qualify under NYSE rules as having accounting or related financial management expertise.

Mr. Barker is a chartered accountant, served as an audit partner in an accounting firm and served as the Vice Chair-U.K. of PricewaterhouseCoopers LLP from 2008 to 2011.

Ms. Chang was previously partner in charge of Corporate Finance for KPMG Peat Marwick LLP.

BOARD MEETINGS AND COMMITTEES

Mr. Mohn is the sole owner and managing director of Perestroika AS, a Norwegian investment company, and served previously as a director of Songa, Chair of the Songa board and as managing director of Frank Mohn AS.

Ms. Øvrum was previously Executive Vice President of Equinor ASA, Development and Production Brazil until 2021 when she retired after nearly 40 years with Equinor.

Ms. de Saint Victor previously served as ABB Ltd.'s General Counsel and Company Secretary from 2007 to 2019. She previously was a director at Barclays PLC, where she was a member of the audit and reputation committees from 2013 to 2017.

Finally, NYSE rules restrict directors who have relationships with the Company that may interfere with the exercise of their independence from management and the Company from serving on the Audit Committee. We believe that the members of the Audit Committee have no such relationships and are therefore independent for purposes of NYSE rules.

PRIMARY RESPONSIBILITIES

The responsibilities of the Audit Committee include, among others, the following:

- Review at least annually, together with management, the Company's ESG disclosures and the adequacy and effectiveness of internal controls related to such disclosures;
- Recommend the selection, retention and termination of our independent registered public accountants and our auditor pursuant to the Swiss Code to the Board of Directors and to our shareholders for their approval at a general meeting of shareholders;
- Directly responsible for the compensation and oversight of our independent registered public accountants and our auditor pursuant to the Swiss Code;
- Advise as necessary in the selection of the lead audit partner;
- Monitor the integrity of our financial statements and the independence and performance of our auditors and their lead audit partner and reviews our financial reporting processes;
- Review and report to the Board of Directors the scope and results of audits by our independent registered public accounting firm, our auditor pursuant to the Swiss Code and our internal auditing staff and reviews the audit and other professional services rendered by the accounting firm;
- Review any material information security or cybersecurity matters that may affect the Company;
- Review with the accounting firm the adequacy of our system of internal controls over financial reporting;
- Review transactions between us and our directors and executive officers for disclosure in the proxy statement, our policies regarding those transactions and compliance with our business ethics and conflict of interest policies; and
- Receive regular reports from the Chief Compliance Officer.

Additional information can be found in the Audit Committee Report of this proxy statement.



COMPENSATION COMMITTEE | Meetings in 2022: 4

MEMBERS

Glyn A. Barker 
Vanessa C.L. Chang
Samuel J. Merksamer

The purpose of the Compensation Committee is to assist the Board of Directors in

- (1) developing an appropriate compensation program and benefit package for
 - (a) members of the Executive Management Team (as defined below),
 - (b) persons defined as “officers” pursuant to section 16(a) of the Exchange Act, and (c) any other person whose compensation is required to be disclosed by applicable securities laws and regulations (collectively, the “Specified Executives”) and members of the Board of Directors; and
- (2) complying with the Board of Directors’ legal and regulatory requirements as to Board member and Specified Executives compensation in order to facilitate the Company’s ability to attract, retain and motivate qualified individuals in a system that aligns compensation with the Company’s business performance.

PRIMARY RESPONSIBILITIES

The authority and responsibilities of the Compensation Committee include, among others, the following:

- Annually review and recommend to the Board of Directors for submission to and ratification by the shareholders pursuant to Swiss law and our Articles of Association the maximum aggregate amount of compensation of the Board of Directors and the Executive Management Team for the period between the annual general meeting at which ratification is sought and the next annual general meeting;
- Annually review and recommend to the Board of Directors for submission to and ratification by the shareholders the maximum aggregate amount of compensation of the Specified Executives and each member of the Board of Directors for the fiscal year commencing after the annual general meeting at which ratification is sought;
- Select appropriate peer groups and market reference points against which the Company’s Board of Directors and executive compensation is compared;
- Annually recommend focus areas for our Chief Executive Officer for approval by members of our Board of Directors who meet our independence and experience requirements;
- Annually review, with participation of our full Board of Directors, our Chief Executive Officer’s performance in light of our established focus areas;
- Annually set our Chief Executive Officer’s compensation based, as appropriate, upon his performance evaluation together with competitive data and subject to shareholder ratification requirements pursuant to our Articles of Association and applicable law;
- Administer our long-term incentive plans, Performance Award and Cash Bonus Plan, Deferred Compensation Plan, and any other compensation plans or arrangements providing for benefits primarily to members of the Board of Directors and executive officers in accordance with goals and objectives established by the Board of Directors, the terms of the plans, and any applicable rules and regulations;
- Consider and make recommendations to the Board of Directors, with guidance from an outside compensation consultant, concerning the existing Board of Directors and executive compensation programs and changes to such programs;
- Consider, with guidance from an outside compensation consultant, and approve the material terms of any employment, severance, termination or other similar arrangements (to the extent permitted by applicable law and our Articles of Association) that may be entered into with members of the Board of Directors and Specified Executives; provided, however, that the Compensation Committee shall not recommend and the Board of Directors shall not authorize “single-trigger” change of control agreements for any of our officers or directors;
- Annually review and discuss the Company’s Swiss statutory compensation report and, based upon such discussion, recommend such report for approval by the Board of Directors;

BOARD MEETINGS AND COMMITTEES

- Assess the risks, with the assistance of external resources as the Compensation Committee deems appropriate, of the Company's compensation arrangements applicable to members of the Board of Directors and the Specified Executives; and
- Retain and approve the fees of legal, accounting or other advisors, including any compensation consultant, employed by the Committee to assist it in the evaluation of executive and director compensation.

See Compensation Discussion and Analysis for a discussion of additional responsibilities of the Compensation Committee.

The Compensation Committee may delegate specific responsibilities to one or more individual committee members to the extent permitted by law, NYSE listing standards and the Compensation Committee's governing documents. The Compensation Committee may delegate all or a portion of its powers and responsibilities with respect to the compensation plans and programs described above and in our Compensation Discussion and Analysis to one or more of our management committees; provided, that the Compensation Committee retains all power and responsibility with respect to awards granted to our Board of Directors members and executive officers. The Chief Executive Officer has been delegated authority to grant equity awards under the Company's long-term incentive plans to new and existing employees of the Company, excluding executive officers and other officers at or above the Senior Vice President level, provided that such awards shall not exceed \$5,000,000 in grant value per calendar year in aggregate and no such individual award shall exceed \$350,000 in grant value.

The Compensation Committee has delegated to a subcommittee composed of its chair and at least one additional committee member the authority to approve interim compensation actions resulting from promotions, competitive realignment, or the hiring of new executive officers (excluding the Chief Executive Officer), including but not limited to establishing annual base salary, annual bonus targets, long-term bonus targets and the grant of equity awards, subject to any required vote of the shareholders. The Compensation Committee has also delegated authority to the Chief Executive Officer to, upon termination of service of an employee of the Company (excluding executive officers and other officers at or above the Senior Vice President level), accelerate vesting of awards granted under the Company's long-term incentive plans and to extend exercisability of options for a period of up to one year, but not beyond the original exercise period. The Compensation Committee has further delegated authority to the Chief Executive Officer to determine whether an individual is disabled and/or to set applicable criteria for making such determination for purposes of the Company's long-term incentives plans. The Compensation Committee is notified of compensation actions made by the Chief Executive Officer or the subcommittee at the meeting following the end of each calendar quarter in which such actions are taken.



FINANCE COMMITTEE | Meetings in 2022: 4

MEMBERS

Edward R. Muller 
 Glyn A. Barker
 Vincent J. Intrieri
 Samuel J. Merksamer

The purpose of the Finance Committee is to assist the Board of Directors in its oversight of the Company's financial policies, financial strategies and capital structure to ensure that each is consistent with the Company's values, strategies, risk management, fiscal policies and other policies.

PRIMARY RESPONSIBILITIES

The responsibilities of the Finance Committee include, among others, the following:

- Review the annual and projected longer term financial plan, strategies and capital structure requirements of the Company;
- Review and approve the Company's risk management programs and investment guidelines;
- Make recommendations to the Board of Directors concerning the Company's dividend policy, securities repurchase actions, the issuance and terms of debt and equity securities and the establishment of bank lines of credit; and
- Review the financial aspects of proposed significant transactions requiring Board approval, such as mergers, acquisitions, divestitures, joint ventures, spin-offs, initial public offerings and strategic investments.



CORPORATE GOVERNANCE COMMITTEE | Meetings in 2022: 4

MEMBERS

Vincent J. Intrieri 
 Frederico F. Curado
 Edward R. Muller

The purpose of the Corporate Governance Committee is to carry out the responsibilities delegated by the Board of Directors relating to the Company's director nominations process and procedures, developing and maintaining the Company's corporate governance policies and other corporate governance matters.

PRIMARY RESPONSIBILITIES

The responsibilities of the Corporate Governance Committee include, among others, the following:

- Make recommendations to the Board of Directors with respect to the nomination of candidates for election to the Board of Directors, how the Board of Directors should function and how the Board of Directors should interact with shareholders and management;
- Develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company;
- Coordinate the self-evaluation of the Board of Directors and its committees;

BOARD MEETINGS AND COMMITTEES

- Recommend committee structure, operations and reporting to the Board of Directors;
- Periodically review the Articles of Association and the Organizational Regulations of the Company and recommend any changes to the Board of Directors;
- Review updates from management regarding the Company's human capital management activities, as they pertain to Board and management diversity; and
- Review the qualifications of and proposes to the Board of Directors candidates to stand for election at the next general meeting of shareholders.



HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY COMMITTEE | Meetings in 2022: 4

MEMBERS

Frederico F. Curado 
Frederik W. Mohn
Margareth Øvrum
Diane de Saint Victor

The Health, Safety, Environment and Sustainability Committee assists the Board of Directors in providing oversight of the Company's programs, policies and practices for managing risk in the areas of health, safety and the environment.

PRIMARY RESPONSIBILITIES

The responsibilities of the Health, Safety, Environment and Sustainability Committee include, among others, the following:

- Regularly review, discuss and evaluate Company policies, practices and performance related to health, safety, environmental and sustainability risks and issues;
- Monitor the Company's performance against published sustainability goals and review developments in regulatory and reporting requirements;
- Provide oversight to the aspects of the Company's sustainability program that pertain to health, safety, the environment and alignment with reporting frameworks; and
- Guide strategy decisions to promote company goals and compliance with applicable rules and regulations pertaining to health, safety, environmental and other sustainability issues.

Director Compensation Strategy

Directors who are employees of the Company do not receive compensation for service on the Board of Directors. At present, all of the directors except Mr. Thigpen, our Chief Executive Officer, are non-employees and receive compensation for their service on the Board of Directors.

We use a combination of cash and equity compensation to attract and retain qualified candidates to serve on the Board of Directors. The Board of Directors believes that any compensation method should be weighted more toward compensation in the form of equity in order to more closely align director compensation with shareholders' interests.

BOARD MEETINGS AND COMMITTEES

In the 2022/2023 term, non-employee director target compensation in U.S. dollars included the following fixed components:

COMPENSATION COMPONENT	COMPENSATION (U.S.\$)
Annual Retainer—non-employee Chair	215,000
Annual Retainer—non-employee Directors	100,000
Additional Annual Retainer for Committee Chair	
Audit Committee	35,000
Compensation Committee	20,000
Corporate Governance Committee, Finance Committee and Health, Safety, Environment and Sustainability Committee	10,000
Grant of Restricted Share Units—non-employee Chair ⁽¹⁾	215,000
Grant of Restricted Share Units—non-employee Directors ⁽¹⁾	210,000

(1) Restricted share units are granted to each non-employee director. The restricted share units vest on the date first to occur of (i) the first anniversary of the date of grant or (ii) the annual general meeting next following the date of grant, subject to continued service through the vesting date. Vesting of the restricted share units is not subject to any performance measures.

In addition, we pay or reimburse our directors' travel and incidental expenses incurred for attending Board of Directors, committee and shareholder meetings and for other Company business-related purposes.

2022 DIRECTOR COMPENSATION

At the Board of Directors meeting held immediately after the 2022 Annual General Meeting of our shareholders, 54,688 restricted share units were granted to each non-employee director (other than the Chair) and 55,990 restricted share units were granted to the Chair, in aggregate value equal to \$210,000 and \$215,000, respectively, based upon the average of the high and low sales prices of our shares for the 10 trading days immediately prior to the date of grant (calculated at \$3.84 per share).

Each non-employee director is required to acquire and retain a number of our shares and/or restricted share units at least equal in value to an amount five times the annual director retainer. Each non-employee director's vested restricted share units generally are not settled until the non-employee director's service with the Company ends.

The following summarizes the compensation of our non-employee directors for 2022.

NAME	FEES EARNED OR PAID IN CASH (U.S.\$)	STOCK AWARDS ⁽¹⁾ (U.S.\$)	ALL OTHER COMPENSATION (U.S.\$)	TOTAL (U.S.\$)
Glyn A. Barker	120,000	205,627	—	325,627
Vanessa C. L. Chang	135,000	205,627	—	340,627
Frederico F. Curado	110,000	205,627	—	315,627
Chadwick C. Deaton	236,833	210,522	—	447,355
Vincent J. Intrieri	110,000	205,627	—	315,627
Samuel J. Merksamer	100,000	205,627	—	305,627
Frederik W. Mohn	100,000	205,627	—	305,627
Edward R. Muller	110,000	205,627	—	315,627
Margareth Øvrum	100,000	205,627	—	305,627
Diane de Saint Victor	100,000	205,627	—	305,627

- (1) This represents the aggregate grant-date fair value under accounting standards for recognition of share-based compensation expense for restricted share units granted to our directors in 2022, computed in accordance with FASB ASC Topic 718. For a discussion of the valuation assumptions with respect to these awards, please see Note 14 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

AUDIT COMMITTEE REPORT

The Audit Committee, consisting of five independent directors, operates under the Audit Committee Charter as adopted by the Board of Directors, in overseeing:

- The integrity of the financial reporting process resulting in the Company's financial statements;
- Compliance with legal and regulatory requirements;
- The independence, qualifications and performance of the Company's independent registered accountants, Ernst & Young LLP ("EY"); and
- The performance of the internal audit function.

The Committee complied in 2022 with all of the requirements described in its Charter, which is available on the Governance page of the Company's website: www.deepwater.com.

The Board has determined that all the members of the Committee are independent, in accordance with the SEC definition and, are financially literate. Further, four of the members of the Committee qualify as Audit Committee Financial Experts, as defined by SEC rules.

Management is responsible for the Company's disclosure controls and procedures, internal controls and the financial reporting process, including the integrity and objectivity of the financial statements. The Committee:

- Reviewed the Company's financial statements and financial reporting processes, including internal controls over financial reporting;
- Reviewed and discussed with EY and management the Company's audited financial statements included in the Annual Report;
- Discussed various matters with EY, including matters required by the Public Company Accounting Oversight Board's ("PCAOB") "Communications with Audit Committees";
- Reviewed and discussed with EY its report on internal control over financial reporting;
- Oversaw the Company's internal audit function, including the performance of the Chief Audit Executive, internal audit plan, budget, resources and staffing;
- Oversaw the Company's Legal, Compliance and Ethics program, including helpline calls and investigations, and employee code of integrity; and
- Recommended to the Company's Board of Directors that the Company's audited financial statements for the year ended December 31, 2022, be included in the annual report on Form 10-K filing with the SEC.

The Committee is responsible for the appointment, compensation and oversight of the independent registered accountant in accordance with SEC, PCAOB and the Swiss Code. The Committee considered several factors in determining whether to reappoint EY as the Company's independent registered accountant, such as:

- Qualifications including industry expertise, knowledge of the Company's processes, global footprint, depth of experience in the countries where the Company's finance and accounting functions are located, and experience of the audit team;
- Performance including quality of communication, professional skepticism;
- The firm's internal processes for monitoring and maintaining independence, including reporting requirements from its professionals and consequences for violations;
- Length of service, which began in 1999;
- Results from PCAOB inspections;
- EY's firm-level internal control and audit quality report and tone at the top; and

AUDIT COMMITTEE REPORT

- EY's engagement-level audit quality characteristics.

During 2022, in anticipation of the five-year rotation of the EY lead audit engagement partner, required by the PCAOB, the Company and the Committee Chair interviewed candidates who met professional, industry and other relevant characteristics to assume the role of lead audit engagement partner for the 2023 annual audit. Also, a new EY engagement quality review partner assumed the role in 2022, in accordance with regulatory standards.

The Committee approves annually the scope, plans and fees for the annual audit, taking into consideration several factors including a breakdown of the services to be provided, proposed staffing, changes in the Company and industry from the prior year. The fee approval process balances the audit scope and hours required for a high-quality audit and driving efficiencies from both the Company and EY while compensating EY fairly. The Committee pre-approved all audit related and non-audit related services.

Agendas for Committee meetings are developed with input from all Committee members, management, the Chief Audit Executive and EY. Quarterly meetings feature, among other things, reports on cybersecurity controls, and the Committee has periodic executive sessions with the Chief Information Officer, the Director of Cybersecurity and third-party consultants. In 2022, the Committee received reports from the Internal Audit Department on their review of the Company's ESG disclosures, the adequacy and effectiveness of the internal controls relating to such disclosures and the reporting framework for the Company's Sustainability Report. Also, the Committee regularly receives reports from management on select business processes to the extent they are affected by internal controls.

The Committee met eight times in 2022 with regular executive sessions with EY and management, including the Chief Audit Executive.

MEMBERS OF THE AUDIT COMMITTEE

Vanessa C.L. Chang, Chair
Glyn A. Barker
Frederik W. Mohn
Margareth Øvrum
Diane de Saint Victor

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Listed below are the only persons who, to the knowledge of the Company, may be deemed to be beneficial owners, as of March 16, 2023, of more than 5% of the Company's shares.

NAME AND ADDRESS OF BENEFICIAL OWNER	SHARES BENEFICIALLY OWNED	PERCENT OF CLASS ⁽¹⁾
Perestroika AS, Perestroika (Cyprus) Ltd. ⁽²⁾ Statminister Michelsensvei 38 5230 Paradis, Norway		
Frederik W. Mohn ⁽²⁾ Statminister Michelsensvei 38 5230 Paradis, Norway	82,868,106	11.32%
The Vanguard Group ⁽³⁾ 100 Vanguard Blvd. Malvern, PA 19355	63,405,047	8.66%
PRIMECAP Management Co. ⁽⁴⁾ 177 E. Colorado Blvd. 11th Floor Pasadena, CA 91105	46,564,489	6.36%

(1) Unless otherwise required by applicable rules, the percentage indicated is based upon 731,847,899 Company shares deemed to be outstanding as of March 16, 2023, which exclude treasury shares held by the Company or our subsidiaries as of such date or issued into treasury thereafter.

(2) The number of shares and associated percent of class includes information based on the Schedule 13D/A filed with the SEC on December 19, 2022, by Mr. Frederik W. Mohn, Perestroika (Cyprus) Ltd. and Perestroika AS, Form 4 filings by Mr. Mohn, Perestroika (Cyprus) Ltd and Perestroika AS, and information given to us by Mr. Mohn. According to such filings and information, Mr. Mohn has sole voting power and sole dispositive power with regard to 271,608 shares, which consists of: (a) 22,148 shares individually owned by Mr. Mohn; and (b) 249,460 restricted share units Mr. Mohn has the right to receive based upon his service as a director of Transocean Ltd. The total shares beneficially owned by Mr. Mohn also includes: 47,996,351 shares and 34,600,147 shares issuable upon exchange of \$213,367,000 aggregate principal amount of 2.5% Exchangeable Bonds (which are exchangeable into shares at the applicable initial exchange rate), in each case, held directly by Perestroika (Cyprus) Ltd.

(3) The number of shares is based upon the Schedule 13G/A filed with the SEC on February 9, 2023, by The Vanguard Group. According to the filing, The Vanguard Group has shared voting power with regard to 134,795 shares, sole dispositive power with regard to 62,678,964 shares and shared dispositive power with regard to 726,083 shares.

(4) The number of shares is based upon the Schedule 13G/A filed with the SEC on February 9, 2023, by PRIMECAP Management Company ("PRIMECAP"). According to the filing, PRIMECAP has sole voting power with regard to 44,271,793 shares, and sole dispositive power with regard to 46,564,489 shares.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The table below shows how many shares each of our directors and nominees, each of the Named Executive Officers included in the summary compensation section below and all directors and executive officers as a group beneficially owned as of March 16, 2023.

NAME	SHARES OWNED ⁽¹⁾	SHARES SUBJECT TO RIGHT TO ACQUIRE BENEFICIAL OWNERSHIP ⁽²⁾	TOTAL SHARES BENEFICIALLY OWNED ⁽³⁾	PERCENT OF CLASS ⁽³⁾
Jeremy D. Thigpen	3,458,592	1,212,621	4,671,213	*
Mark L. Mey	1,380,487	485,597	1,866,084	*
Keelan I. Adamson	482,813	264,856	747,669	*
Howard E. Davis	941,606	382,140	1,323,746	*
Brady K. Long	956,933	345,569	1,302,502	*
Glyn A. Barker	2,984	309,473	312,457	*
Vanessa C.L. Chang	49,200	315,215	364,415	*
Frederico F. Curado	—	309,473	309,473	*
Chadwick C. Deaton	141,000	378,040	519,040	*
Domenic J. "Nick" Dell'Osso Jr.	—	—	—	*
Vincent J. Intriери	20,000	304,713	324,713	*
Samuel J. Merksamer	—	315,449	315,449	*
Frederik W. Mohn ⁽⁴⁾	48,018,499	34,849,607	82,868,106	11.32%
Edward R. Muller	12,687	327,952	340,639	*
Margareth Øvrum	—	108,952	108,952	*
Diane de Saint Victor	10,000	207,134	217,134	*
All of directors and executive officers as a group (16 persons)	55,963,603	40,353,252	96,316,855	13.16%

* Less than 1%.

- (1) The business address of each director and executive officer is c/o Transocean Management Services GmbH, Turmstrasse 30, 6312 Steinhausen, Switzerland. None of the shares beneficially owned by our directors or executive officers are pledged as security.
- (2) Includes shares that may be acquired within 60 days from March 16, 2023 through the exercise of options held by Messrs. Thigpen (1,212,621), Mey (485,597), Adamson (264,856), Davis (382,140), Long (345,569), and all executive officers as a group (2,927,244). Also includes vested share units and unvested share units that will vest within 60 days from March 16, 2023, by Messrs. Barker (309,473), Curado (309,473), Deaton (378,040), Intriери (304,713), Merksamer (315,449), Mohn (34,849,607) and Muller (327,952) and Mmes. Chang (315,215), Øvrum (108,952) and de Saint Victor (207,134) and all directors and executive officers as a group (2,825,861).
- (3) The percentage indicated is based upon 731,847,899 Company shares deemed to be outstanding as of March 16, 2023, which exclude treasury shares held by the Company or our subsidiaries as of such date or issued into treasury thereafter, unless otherwise required by applicable rules. As of March 16, 2023, each listed individual (with the exception of Mr. Mohn) and our directors and executive officers as a group (excluding Mr. Mohn) beneficially owned less than 1% of the Company's outstanding shares.
- (4) The number of shares and associated percent of class includes information based on the Schedule 13D/A filed with the SEC on December 19, 2022, by Mr. Frederik W. Mohn, Perestroika (Cyprus) Ltd. and Perestroika AS, Form 4 filings by Mr. Mohn, Perestroika (Cyprus) Ltd and Perestroika AS, and information given to us by Mr. Mohn. According to such filings and information, Mr. Mohn has sole voting power and sole dispositive power with regard to 271,608 shares, which consists of: (a) 22,148 shares individually owned by Mr. Mohn; and (b) 249,460 restricted share units Mr. Mohn has the right to receive based upon his service as a director of Transocean Ltd. The total shares beneficially owned by Mr. Mohn also includes: 47,996,351 shares and 34,600,147 shares issuable upon exchange of \$213,367,000 aggregate principal amount of 2.5% Exchangeable Bonds (which are exchangeable into shares at the applicable initial exchange rate), in each case, held directly by Perestroika (Cyprus) Ltd.

COMPENSATION DISCUSSION AND ANALYSIS

CONTENTS

P-93	EXECUTIVE SUMMARY
P-94	2022 COMPENSATION PROGRAM OVERVIEW
P-95	COMPENSATION PHILOSOPHY, STRATEGY AND DESIGN
P-96	SETTING EXECUTIVE COMPENSATION
P-98	EXECUTIVE COMPENSATION ELEMENTS
P-108	EXECUTIVE COMPENSATION GOVERNANCE, POLICY AND PRACTICE
P-111	TAX IMPACT ON COMPENSATION

This Compensation Discussion and Analysis provides an overview and analysis of Transocean's executive compensation programs and policies, material compensation decisions for 2022, and the key factors we considered in making those decisions. It includes specific information about the compensation paid, earned or granted to the following persons who constitute our Named Executive Officers for 2022:

JEREMY D. THIGPEN
Chief Executive Officer

MARK L. MEY
Executive Vice President and
Chief Financial Officer

KEELAN I. ADAMSON
President and Chief Operating
Officer

HOWARD E. DAVIS
Executive Vice President and
Chief Administrative and
Information Officer

BRADY K. LONG
Executive Vice President and
General Counsel

Executive Summary

Transocean is a leading international provider of offshore contract drilling services for oil and gas wells. We specialize in technically demanding sectors of the global offshore drilling business with a particular focus on ultra-deepwater and harsh environment drilling services, and we operate one of the most versatile offshore drilling fleets in the world.

CAUTIOUS OPTIMISM GIVES WAY TO PIVOTAL, INDUSTRY-LEADING PERFORMANCE

We entered 2022 with optimism about the prospects for Transocean and the offshore drilling industry while also remaining cautious about some of the challenges that arose in the prior two years. Indeed, 2022, proved to be a pivotal year that highlighted Transocean's strong results and industry-leading performance, further reinforcing the foundations that we have built to create sustainable success for our company.

Our steadfast focus on safety, operational excellence and sustainability enabled us to, once again, deliver strong operational results, record reliability and drilling efficiency for our customers in 2022, ultimately translating into industry-leading financial results.

Highlights of our performance in 2022 include:

- Delivering strong uptime performance, resulting in revenue efficiency of 96.4%;
- Delivering solid Adjusted EBITDA results of \$816 million;
- Executing multiple financial transactions resulting in improved medium-term liquidity and providing new opportunities to de-lever and improve the flexibility of our balance sheet; and

COMPENSATION DISCUSSION AND ANALYSIS

- Welcoming the *Deepwater Atlas* and *Deepwater Titan* to our fleet – the two highest specification drillships in the world.

In addition, we realized pronounced increases in dayrates of the ultra-deepwater fleet in 2022, with dayrates as of the fourth quarter increasing more than 63% year-over-year.

As of our February 2023 Fleet Status Report, our secured future revenue through new contracted work is second-to-none and increased our industry-leading backlog to \$8.5 billion, more than twice that of our nearest competitor. Importantly, during 2022, we added approximately \$4 billion in new backlog, the most significant annual increase since the downturn began in 2014, and the first year since 2014 in which backlog additions exceeded revenues out of backlog, suggesting upward momentum in 2023 and beyond.

As a result of this industry-leading performance and favorable market dynamics for offshore drillers, we realized share price appreciation of approximately 60% in fiscal year 2022 and additional appreciation of 65% since the beginning of 2023, resulting in a cumulative share price appreciation of 160% since the beginning of 2022.



2022 Compensation Program Overview

Our Compensation Committee of the Board of Directors (the “Committee”) thoughtfully considers the long-term interests of the Company and our shareholders when making decisions regarding our compensation programs.

We believe that the 2022 compensation program design for our Named Executive Officers appropriately reflects our strong commitment to best practices in compensation governance and achieves the program design objectives of:

- Retaining and motivating our executives to achieve important business objectives,
- Rewarding our executives for delivering superior financial, operational, and sustainability performance; and,
- Strongly aligning executive pay with Company performance and the shareholder experience.

WE BELIEVE THE 2022 COMPENSATION ACTIONS REFLECT OUR CONTINUED FOCUS ON BEST-PRACTICE COMPENSATION GOVERNANCE, WHILE MAINTAINING PRUDENTLY DESIGNED, COMPETITIVE COMPENSATION PACKAGES.

In February 2022, utilizing competitive market analysis provided by its consultant, the Committee evaluated all elements of the compensation program design, with the critical objectives of retaining key executive talent required for current and future Company financial performance and succession, assessing the alignment between performance and compensation, and analyzing realizable pay relative to target pay as compared to our peers.

Compensation Philosophy, Strategy and Design

Our executive compensation program includes a range of features that align the interests of our senior management with those of our shareholders and excludes features that may result in misalignment.

Important features of our executive compensation programs and practices are provided in the following table:

WHAT WE DO	WHAT WE DON'T DO
✓ Conduct an annual review of our compensation strategy, including a review of our compensation-related risk profile	✗ Allow our executives to hedge, sell short or hold derivative instruments tied to our shares (other than derivative instruments issued by us)
✓ Mandate meaningful share ownership requirements for our executives	✗ Allow our executives or directors to pledge Company shares
✓ Maintain a clawback policy that allows for the forfeiture, recovery or adjustment of incentive compensation (cash and equity) in cases of financial restatement or violations of our Code of Integrity	✗ Have pre-arranged individual severance agreements or special change-in-control compensation agreements with any Executive Officers; however, to the extent permitted under Swiss law, our executives are eligible for severance and change-in-control provisions pursuant to our policies, in exchange for covenants that protect the Company
✓ Base annual and long-term incentive performance on quantitative, formulaic metrics	✗ Provide gross-ups for severance payments
✓ Maintain compensation plans that are weighted significantly toward variable pay to align our executive compensation with long-term shareholder interests	✗ Guarantee salary increases, non-performance based bonuses or unrestricted equity compensation
✓ Link long-term incentive compensation to relative performance metrics	✗ Provide any payments or reimbursements for tax equalization
✓ Deliver at least 50% of long-term incentives in performance-based awards	✗ Pay dividends or dividend equivalents on performance-based equity that has not vested
✓ Cap the earning of PSUs at target if the Company's absolute TSR is less than negative 15%	✗ Offer executive perquisites
✓ Cap the overall PSU payouts to prevent unintended windfalls	
✓ Retain an independent consultant who reports only to our Compensation Committee (not management)	
✓ Maintain double trigger change-in-control provisions	

THE PRIMARY GOAL OF OUR COMPENSATION PROGRAM IS TO ALIGN PAY WITH PERFORMANCE

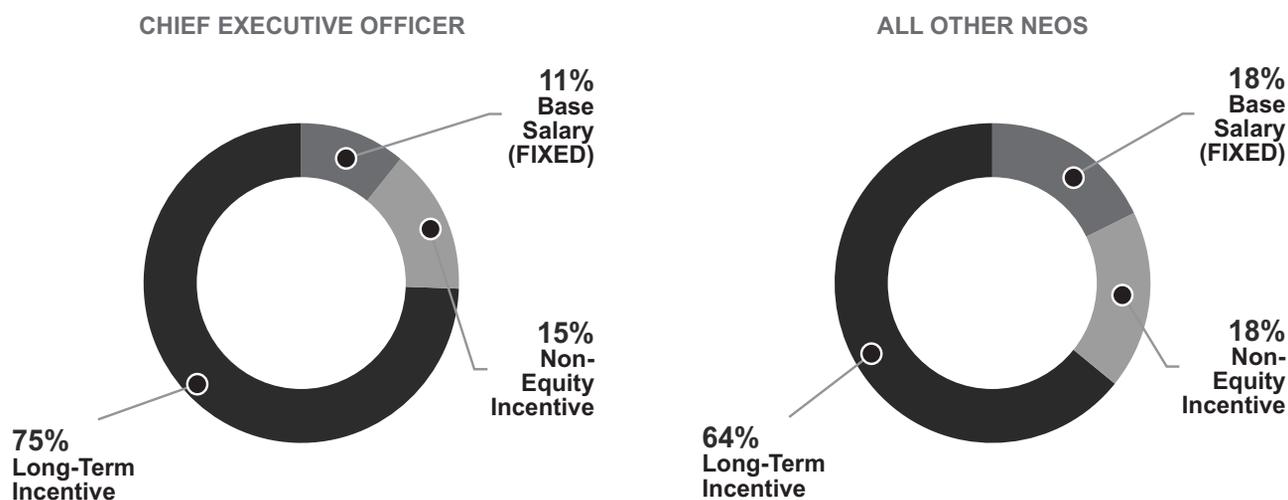
We accomplish our goal of aligning pay with performance by providing our executives with a competitive compensation package that rewards performance against specific, strategic, financial and operational goals that the Committee believes are critical to the Company’s long-term success and the achievement of sustainable long-term shareholder returns. We believe attracting, retaining and motivating talented management is essential to creating shareholder value throughout the business cycles of our industry.

In administering our executive compensation program, we are guided by the following principal objectives:

- Aligning annual incentive compensation with financial, operational and strategic objectives; and
- Rewarding share price appreciation and relative performance through long-term equity incentive awards.

We deliver the vast majority of executive pay as performance-based, “at-risk” incentive compensation, with a portion allocated to the delivery of shorter-term periodic results and the majority weighted toward the delivery of longer-term shareholder value. We believe this approach achieves our objective of aligning pay and performance, without providing an incentive for excessive risk-taking.

2022 TARGET COMPENSATION



Setting Executive Compensation

We annually review our executive compensation program to ensure that we provide the opportunity for each of our Named Executive Officers to receive competitive compensation without providing an incentive for excessive risk-taking. With support from its independent compensation consultant, the Committee annually reviews each individual component of compensation as well as the aggregate compensation that may be paid or awarded to each of our Named Executive Officers and compares them:

- Externally against compensation awarded and paid to executive officers holding comparable positions at companies with which we compete for executive talent; and
- Internally against other members of the executive team to ensure internal equity, taking into account individual performance, skills, and experience.

We assess our compensation programs with the aim of positioning elements of compensation competitively to that of the compensation of executives in our industry sector and among companies in other industries of comparable size, international scope, and organizational complexity. We also seek to provide a direct link

between pay and the enhancement of shareholder value. The Committee's independent compensation consultant guides the Committee in establishing the appropriate peer groups for this assessment.

The Committee, with support from its independent compensation consultant, employs two peer groups for the purpose of evaluating executive compensation. The "Compensation Peer Group" is used to assess the competitiveness of the compensation of our Named Executive Officers, and the "Performance Peer Group" is used to evaluate the relative performance of the Company.

COMPENSATION PEER GROUP

We compete for executive talent across many different sectors around the world. However, our primary competitive market generally includes other companies in the energy industry (oil and gas companies, offshore drilling companies and other energy services companies). In making compensation decisions for the Named Executive Officers, the total direct compensation and each underlying element thereof are compared against published and publicly available compensation data.

The Compensation Peer Group for 2022 was composed of the following companies:

■ Apache Corporation	■ McDermott International	■ Petrofac Limited
■ Chesapeake Energy Corporation	■ Murphy Oil Corporation	■ TechnipFMC plc
■ Diamond Offshore Drilling, Inc.	■ Nabors Industries Ltd.	■ Valaris plc
■ Helmerich & Payne, Inc.	■ NOV, Inc.	■ Weatherford International plc
■ Hess Corporation	■ Noble Corporation plc	
■ Marathon Oil Corporation	■ Ovintiv Inc.	

Recognizing the cyclical nature of the market in which we operate, and the impact that may have on the relative revenue and market capitalization of each peer company at any given time during the course of a downturn or recovery cycle, the Committee maintains a consistent approach to the overall peer company selection so that compensation benchmarks are stable over the course of the market cycle.

In addition, we consider the compensation practices of general non-energy industry peers of comparable size and international scope in setting executive compensation levels, and we use general industry data as a secondary market reference to ensure that a comprehensive view of the market is considered. These non-energy general industry peers are expected to vary from year-to-year based on changes in the marketplace and the availability of published survey data for companies that meet the defined size, international scope and organizational structure criteria.

Our target market position is determined based on the data believed to be most relevant for a given position. For example, the Compensation Peer Group data are weighted more heavily for positions in Operations and Marketing, whereas general industry data are also considered for executives overseeing corporate functions. However, in accordance with our pay-for-performance philosophy, the Compensation Peer Group data is the primary reference for assessing base salary, short-term incentive and long-term incentive compensation levels.

PERFORMANCE PEER GROUP

While the competition for executive talent spans a broader market, as noted above in the Compensation Peer Group section, our Performance Peer Group is specific to those companies with expertise in technically demanding oilfield service operations.

In February 2022, the Committee evaluated the previously established Peer Group used to measure the Company's TSR performance relative to that of companies considered to be direct business competitors and competitors for investment capital for inclusion in the 2022 long-term incentive program. The Committee engaged its compensation consultant to refine the peer group to those that have a strong correlation with the

COMPENSATION DISCUSSION AND ANALYSIS

Company and gave consideration to factors such as emergence from bankruptcy/restructuring and merger and acquisition activity. The Committee adopted an updated Performance Peer Group that introduced four new peer companies and eliminated five prior peer companies.

The resulting Performance Peer Group for 2022 consisted of:

■ Aker Solutions	■ Oceaneering International, Inc.	■ Subsea 7 S.A.
■ Helmerich & Payne, Inc.	■ Odfjell Drilling Ltd.	■ TechnipFMC plc
■ Nabors Industries Ltd.	■ Oil States International, Inc.	■ Tidewater Inc.
■ Noble Corp.	■ Patterson-UTL Energy, Inc.	■ Valaris plc
■ NOV, Inc.	■ Saipem S.p.A	

2022 Executive Compensation Elements

OUR EXECUTIVE COMPENSATION PROGRAM IS DESIGNED TO MEET THE OBJECTIVES OF OUR “PAY FOR PERFORMANCE” PHILOSOPHY BY LINKING A SIGNIFICANT PORTION OF EACH EXECUTIVE’S COMPENSATION TO COMPANY PERFORMANCE.

The following table summarizes the purpose and key characteristics of each of the primary components of our executive compensation program.

COMPENSATION ELEMENT	PURPOSE	KEY CHARACTERISTICS
BASE SALARY	Provide a market competitive base level of income for executive talent.	Fixed compensation. Reviewed annually and adjusted as appropriate.
ANNUAL CASH BONUS	Motivate executives to achieve our short-term financial, operational, and ESG objectives.	Variable compensation. Award potential ranges from 0% to 200% of target based on corporate performance measured against pre-established performance goals.
I. LONG-TERM INCENTIVE – PERFORMANCE UNITS	Align the interests of our executives with those of our shareholders by creating a direct correlation between realized pay and shareholder return performance both relative to peers and on an absolute basis, over a three-year performance period.	Variable compensation. The number of earned units can range from 0%-200% based on total shareholder return relative to performance of selected peers during four distinct periods in a 3-year performance period. Payout is capped at target if predetermined threshold of absolute TSR is not met. “Cliff” vesting at the end of the three-year performance period.
II. LONG-TERM INCENTIVE – RESTRICTED UNITS	Motivate executives to contribute to long-term increases in shareholder value, build executive ownership and retain executives through ratable, multi-year vesting.	Variable compensation. Long-term award with ratable vesting over three years that provides a direct correlation of realized pay to shareholder value.

The Committee takes several objectives into consideration when assessing the reasonableness of the total direct compensation of the Named Executive Officers, particularly the compensation of our Chief Executive

Officer. These objectives include ensuring alignment with our vision and business strategy, creating sustainable long-term shareholder value through the amount and mix of compensation provided, and advancing the core principles of our compensation philosophy and objectives while remaining within our risk tolerance.

Executive compensation is generally targeted around the market median and, when appropriate, adjusted for each Named Executive Officers based upon their individual skills, tenure and impact to the Company's short and long-term strategic goals.

Our Named Executive Officers have an average of 30 years of experience in multiple sectors of the oil and gas industry, including oilfield services and offshore drilling, and have served our Company for an average of 11 years. Ultimately, this combined expertise and experience was invaluable to maintaining the Company's performance and preserving shareholder value during the extended market downturn. It is our belief that, particularly in comparison to that of our competitors – many of which filed for bankruptcy and restructured – the continuity of our management team, combined with their collective experience, provides a distinct competitive advantage and furthers the Company's leadership position, allowing it to appropriately manage the inherent cyclicity and other unique characteristics of the offshore drilling industry.

BASE SALARY

Our Named Executive Officers receive base salaries constituting a fixed amount of compensation for services rendered during the year. The base salaries of our Named Executive Officers are determined by the Committee upon each officer's initial hire and reviewed annually, including in the context of promotions or other changes in job responsibilities. As part of its annual review, the Committee reviews each base salary, (i) for purposes of maintaining competitive compensation, relative to executive officers at applicable companies, and (ii) for internal pay equity purposes, relative to other executive officers at the Company.

As part of its base salary review, the Committee considers input from our Chief Executive Officer (except with respect to his own compensation), competitive compensation data from our Compensation Peer Group and other survey data, job responsibilities, individual skills, experience and expected future contributions of each Named Executive Officer. The Committee also considers input from its independent compensation consultant within the framework of the Company's compensation philosophy and objectives.

In February 2022, in recognition of the increased experience, tenure, and contributions of our executives, the Committee elected to increase the base pay for our Chief Executive Officer and two other Named Executive Officers.

The following base salaries were approved by the Committee for the individuals listed below.

EXECUTIVE	2022 BASE SALARY (U.S. \$)	INCREASE OVER 2021 (%)	Comments
Mr. Thigpen	1,150,000	15%	First increase since joining the Company in 2015.
Mr. Mey	760,000	0%	
Mr. Adamson	800,000	23%	Increase in recognition of expanded responsibilities as part of his promotion to President.
Mr. Davis	550,000	0%	
Mr. Long	600,000	9%	First increase since 2018.

ANNUAL PERFORMANCE BONUS

Our Performance Award and Cash Bonus Plan (the "Bonus Plan") is a formulaic, goal-driven plan that provides participants, including the Named Executive Officers, with the opportunity to earn annual cash bonuses based on performance as measured against predetermined performance objectives. Individual target award levels, expressed as percentages of the participants' base salaries, are established by the Committee at the beginning

COMPENSATION DISCUSSION AND ANALYSIS

of the year. The target award opportunities under the Bonus Plan, when combined with base salaries, are intended to position the participants to earn total cash compensation approximating competitive market median levels. Individual awards correlate to Company performance, so the executives achieve above-target awards only when the Company achieves above-target performance. Further, the bonus opportunity is capped at a maximum payout level as noted below.

In 2022, the Committee approved changes to the target bonus opportunity for each of the Named Executive Officers, following several consecutive years of freezes. Under the Bonus Plan for 2022, the Named Executive Officers had a potential payout range of 0% to 200% of their individual target award opportunities. The 2022 target bonus opportunity for each Named Executive Officer, expressed as a percentage of base salary, was as follows:

EXECUTIVE	2022 BONUS TARGET (%)	INCREASE OVER 2021 (%)	COMMENTS
Mr. Thigpen	135%	10%	First increase since 2018.
Mr. Mey	100%	15%	First increase since joining the Company in 2015.
Mr. Adamson	100%	25%	First increase since 2018.
Mr. Davis	100%	25%	First increase since joining the Company in 2015.
Mr. Long	100%	25%	First increase since 2018.

2022 ANNUAL BONUS STRUCTURE AND ACHIEVEMENT

The annual cash bonus structure is designed to recognize and motivate strong financial, operational and sustainability performance. Achievement in these three focus areas provides the Committee with a direct line of sight to annual Company operational and financial results while maintaining an emphasis on our sustainability strategy. This structure is designed to focus our executives on those areas where we can differentiate ourselves from our competitors during industry downturns and be well-positioned to outperform the competition as the market recovery continues. The performance measures, relative weightings, and threshold-target-maximum payout ranges were designed based on our 2022 financial and operational forecasts and our 2022 sustainability business plan, as presented to the Committee in early February 2022.

The following tables outline the 2022 bonus performance measures and relative weightings. Each of the measures is defined and discussed in more detail below.

Based on the performance measures described further below and using the pre-determined weightings assigned to each measure by the Committee, the overall bonus achievement for each of our Named Executive Officers was 112% of the targeted bonus opportunity under the Bonus Plan for 2022. The components of this total bonus payout under the Bonus Plan for 2022 are as follows:

PERFORMANCE MEASURE	2022 WEIGHTING (%)	2022 WEIGHTED ACHIEVEMENT (%)
I. EBITDA	60%	56%
II. Uptime	20%	27%
III. Sustainability	20%	29%
2022 Bonus Plan Achievement		112%

For specific award amounts, see “Executive Compensation—Summary Compensation Table.”

I. FINANCIAL PERFORMANCE

Developing Our EBITDA Target

FOR THE 2022 BONUS PLAN, THE COMMITTEE EVALUATED FINANCIAL MEASURES THAT WOULD MOST CLOSELY ALIGN MANAGEMENT WITH THE COMPANY'S FINANCIAL OBJECTIVES.

The Committee concluded that EBITDA continues to be the most appropriate financial measure for our annual bonus based on the following reasons:

- EBITDA is commonly used by our shareholders to evaluate financial performance;
- EBITDA is commonly used by our peers to evaluate their own financial performance; and
- While EBITDA is a non-GAAP financial measure, it is objective and reconcilable to the GAAP measures reported in our financial statements.

The Committee weighted EBITDA at 60% of the total 2022 Bonus Plan opportunity. Further, the Committee set the 2022 EBITDA target at \$825 million, which is lower than the 2021 EBITDA target and actual achievement. The Committee endeavors to set targets that stretch management without incentivizing excessive risk-taking, and these targets always reflect improvement. Improvement is often measured against the prior year, as the Committee did with the uptime and sustainability targets, as described below. Improvement is occasionally measured against management's plan for the current year, where the current year features challenges beyond management's control that did not arise in the prior year; improvement against the prior year would be impossible without excessive risk-taking, which the Committee would never incentivize. In evaluating the 2022 EBITDA target, the Committee, at the beginning of 2022, considered the following challenges for the Company and/or the industry:

- Decreasing dayrates for new contracts relative to expiring long-term contracts;
- The uncertainty for expenditures related to our newbuild assets entering the fleet;
- The possible reactivation of stacked assets; and
- The anticipated increase in maintenance expenses due to expected supply chain and inflationary concerns.

In further consideration of these challenges and uncertainties, the Committee modified the threshold to maximum range from +/- 12.5% to +/- 15%.

Accordingly, the threshold and maximum performance outcomes were as follows:

EBITDA TARGET AND PERFORMANCE RANGE	BONUS PAYOUT (%)
Threshold = \$701M	0%
Target = \$825M	100%
Maximum = \$883M	200%

Measuring EBITDA Results

THE COMPANY DELIVERED ADJUSTED EBITDA OF \$816M IN 2022.

The Committee certified EBITDA performance achievement at 93% of target, resulting in an associated weighted payout of 56% of the total target bonus opportunity for each Named Executive Officer.

Attached as Appendix A in this proxy statement, is a reconciliation of adjusted EBITDA to net income, the most directly comparable GAAP financial measure.

II. OPERATIONAL PERFORMANCE

Developing Our Uptime Target

WE HAVE IDENTIFIED UPTIME AS THE OPERATIONAL PERFORMANCE MEASURE THAT BEST ALIGNS WITH THE INTERESTS OF OUR CUSTOMERS AND, ULTIMATELY, OUR SHAREHOLDERS.

Uptime represented 20% of the 2022 total target annual bonus opportunity, reinforcing the importance of maintaining excellence in our rig operations. We believe that uptime is the best measure of operational efficiency, which is an imperative for our customers and directly impacts their operational plan. Further, uptime has a direct correlation to the Company's revenue efficiency as our rigs must be operating to generate revenue.

Although uptime is a common operational metric in our industry, it has no standard industry definition or reporting structure. As a result, the Company has developed its own definition, in consultation with the Committee, and that definition recognizes the key impediments to Uptime: equipment failures and human performance errors.

Uptime is measured as total operating hours, minus downtime hours, expressed as a percentage of the maximum total operating hours. Operating hours are defined as the number of hours a rig is operating under a contract. Downtime is defined as the number of hours the rig is not engaged in drilling activities, resulting from mechanical failure or human performance error.

$$Uptime = \frac{\text{Total Operating Hours} - \text{Downtime Hours}}{\text{Maximum Total Operating Hours}}$$

Using this formula, zero mechanical failures and human performance errors would result in a rig operating at 100% Uptime. Downtime events detract from optimal performance and have a direct negative impact on the customer's operational plan.

In setting the threshold-target-maximum range for this measure, the mathematical differential of 3% from threshold to maximum is significant considering the total number of operating hours during a calendar year (e.g., approximately 180,653 hours of operation in 2022).

The Committee approved the following uptime target for 2022:

<u>UPTIME TARGET AND PERFORMANCE RANGE</u>	<u>BONUS PAYOUT (%)</u>
Threshold = 95.0%	0%
Target = 96.5%	100%
Maximum = 98.0%	200%

In setting the uptime target, the Committee considered the Company's emerging 2022 outlook, the prior year's achievement, and the forecasted challenges related to integrating our newbuild assets and possibly reactivating assets.

Balancing the expected challenges to our operations performance with the Company's continued exemplary uptime achievement, the Committee elected to increase the prior year performance target, approving the 2022 uptime target at 96.5%. The half percentage point increase to the 2022 uptime target represents an approximately 1,000-hour decrease of allowed downtime hours to achieve target, or nearly 38 additional operating days. In addition, the Company had fewer operating rigs in 2022 compared to 2021; therefore, each downtime event is magnified as the total number of available operating hours is decreased.

Measuring Uptime Results

THE COMPANY ACHIEVED 97.03% UPTIME PERFORMANCE IN 2022.

Despite the forecasted challenges for 2022, we achieved exemplary uptime performance resulting in greater customer satisfaction and higher earnings. In 2022, we exceeded target performance by approximately 962 hours, or 40 days, of additional operational productivity across the fleet. As illustrated, the formulaic performance of uptime achieved a payout level of 135% of target and an associated weighted payout of 27% of the total target bonus opportunity for each of the Named Executive Officers.

III. SUSTAINABILITY PERFORMANCE

Developing Our Sustainability Targets

WE RECOGNIZE THE IMPORTANCE OF SUSTAINABILITY TO OUR BUSINESS, OUR KEY STAKEHOLDERS AND OUR INDUSTRY, SO WE INCLUDED CORPORATE SUSTAINABILITY OBJECTIVES IN THE 2022 CASH BONUS PLAN TO DRIVE PERFORMANCE ALIGNED WITH OUR LONG-TERM BUSINESS STRATEGY.

The Company is committed to operating our business responsibly, mitigating risks and creating value for our stakeholders. This means, among other imperatives, minimizing our impact to the environment, stewarding resources conscientiously, treating our workforce and surrounding community with respect and care, and innovating purposefully.

To further emphasize this commitment, we included a sustainability component, weighted at 20%, to the 2022 Bonus Plan design. These specific objectives comprising the sustainability component are scored quantitatively and were set by the HSES Committee and approved by the Committee for inclusion in the 2022 Bonus Plan design:

- Personal Safety / TRIR (Total Recordable Incident Rate)
- Emissions Intensity Reduction

These 2022 sustainability objectives were selected in support of our continuous and deliberate focus on protecting our personnel, our environment and our property from the numerous potential operating hazards endemic to our business.

Personal Safety - Total Recordable Incident Rate (TRIR)

TRIR is a safety metric recognized by the Occupational Safety and Health Administration ("OSHA") and is used by companies across an array of industries. TRIR is calculated based on the guidelines set by the International Association of Drilling Contractors ("IADC"), by taking the aggregate number of occurrences of work-related injuries or illnesses that result in medical care or treatment beyond minor first aid. The result is the number of such occurrences for every 200,000 hours worked.

The Committee approved a TRIR target for 2022 of 0.24 based on input from the HSES Committee. This target represents a five-year rolling approach to TRIR goal setting. The methodology takes the average of the prior 5-year actual TRIR results and applies a modifier to ensure the pursuit of continuous improvement. For 2022, a .95 modifier was applied, resulting in a 2022 TRIR target that represents an approximate 10% improvement over the 2021 TRIR target.

COMPENSATION DISCUSSION AND ANALYSIS

In setting the threshold and maximum values, the Committee applied a 25% range above and below target. This range created a threshold, or entry point, of 0.30 and a maximum of 0.18.

TRIR TARGET AND PERFORMANCE RANGE	BONUS PAYOUT (%)
Threshold = 0.30	0%
Target = 0.24	100%
Maximum = 0.18	200%

Emissions Intensity Reduction

Consistent with our published 2030 sustainability goals, emission intensity is measured relative to a baseline of emissions recorded in 2019. The Emissions Intensity calculation is based on operating days, which are defined as a day for which a rig is contracted to earn a dayrate during the firm contract period after operations commence. Emissions intensity is calculated by dividing emissions generated by our rigs on operating days by the number of operating days. In considering the scope of the Emissions Intensity Reduction goal to introduce to our bonus program, we identified Norway as the geographic location that was best positioned to positively affect emissions due to the country's commitment to emissions reduction. Focusing on a specific geographic location allowed us to scale the goal as our efforts to reduce emissions continually evolve. The Company's Norwegian fleet is approximately 25% of our 2022 global operating fleet and is our second largest geographical region based on fleet size.

We have made significant strides in reducing our energy consumption, in part, by establishing a global forum for the sharing of best practices in pursuit of energy-efficiency improvements. These efficiencies accrue as a distinct benefit to the environment, including in the form of reduced emissions – some through behavioral changes, but primarily through capital investments in equipment or innovative technology with the objective of conducting our core business with a smaller carbon footprint. Given the limited capital available to devote to our reduction of emissions, we focused our 2022 Emissions Intensity Reduction goal and related capital investment in Norway, where 25% of our global fleet operates and in recognition of customer and governmental support for such initiatives.

The Committee approved an Emissions Intensity Reduction target for 2022 of 8%, on an annualized basis, based on input from the HSES Committee, which considered planned investments in upgrades intended to improve emissions intensity reduction of the Norwegian fleet.

In setting the threshold and maximum values, the Committee applied a 25% range above and below target. This range created a threshold, or entry point, of 6% and a maximum of 10%.

EMISSIONS INTENSITY REDUCTION TARGET AND PERFORMANCE RANGE	BONUS PAYOUT (%)
Threshold = 6%	0%
Target = 8%	100%
Maximum = 10%	200%

Measuring Sustainability Results

The 2022 formulaic result for Personal Safety based on TRIR was 0.21, which exceeded target performance and represents the second lowest rate in the history of our company, achieving a payout of 150% of target and an associated weighted payout of 15%.

The formulaic result for the 2022 emissions intensity reduction in Norway, compared to the 2019 baseline was 8.8% on an annualized basis, achieving a payout of 140% of target and an associated weighted payout of 14%. As illustrated, the combined sustainability results exceeded our goal and the Committee certified sustainability performance achievement resulting in an associated weighted payout of 29% of the total target bonus opportunity for each Named Executive Officer.

While the 2022 emissions intensity reduction goal was specific to the Norwegian fleet, the Committee has expanded the scope of the emissions intensity reduction goal for 2023 to the global fleet.

OVERALL 2022 ANNUAL BONUS ACHIEVEMENT

IN 2022, WE DELIVERED STRONG ANNUAL PERFORMANCE RESULTS.

Our executive leadership showed exceptional discipline and commitment in managing the Company, driving the success of our business, and building long-term value. Further, our success in delivering solid results in 2022 against the measures approved by the Committee could not have been realized without the discipline, flexibility and resilience of our dedicated workforce.

LONG-TERM INCENTIVES

THE COMMITTEE ESTABLISHES COMPETITIVE LONG-TERM INCENTIVE (“LTI”) OPPORTUNITIES FOR OUR NAMED EXECUTIVE OFFICERS THAT MOTIVATE THEM TO INCREASE TOTAL SHAREHOLDER RETURN, DRIVE LONG-TERM SUSTAINABLE VALUE AND ALIGN THE INTERESTS OF PARTICIPANTS WITH THOSE OF SHAREHOLDERS.

To provide an appropriate balance of incentives tied to performance, two types of long-term equity instruments were used in 2022: Performance Units (“PSUs”) and Restricted Share Units (“RSUs”), each weighted at 50%.

This LTI mix was designed to ensure that a minimum of 50% of total LTI is conveyed through performance-based awards. RSUs were included in the incentive mix to reinforce a direct relationship to the shareholder experience and to promote ownership of Company equity. Both instruments were also designed to be retentive in nature through extended performance and vesting periods.

The following LTI award values were delivered to our Named Executive Officers in 2022.

EXECUTIVE	2022 LTI TARGET VALUE (U.S. \$)
Mr. Thigpen	8,000,000
Mr. Mey	2,700,000
Mr. Adamson	2,800,000
Mr. Davis	2,150,000
Mr. Long	2,181,818

Each Named Executive Officer target LTI value is delivered in shares based on the following:

- Performance Units: one-half of the total LTI target value is divided by an approximated Grant Date Fair Value based on an estimated Monte Carlo valuation performed immediately prior to the date of grant; and
- Restricted Share Units: one-half of the total LTI target value is divided by a value equal to the average of our high-low trading prices for the 10 days immediately preceding the date of grant.

This practice is utilized to most closely approximate the expected grant value. The values disclosed in the Summary Compensation Table reflect the actual grant date fair value and may vary slightly from the target value.

PERFORMANCE UNITS (“PSU”)

In 2022 the Committee decided to base the 2022 PSU design 100% on the market-based measure of relative Total Shareholder Return (“TSR”).

The target award value of the 2022 PSU grants to each of the Named Executive Officers was weighted at 50% of each officer’s total 2022 LTI target award value and each PSU granted represents one share and is earned

COMPENSATION DISCUSSION AND ANALYSIS

based on comparing the Company's TSR relative to the Company's Performance Peer Group during four distinct performance periods over a three-year period.

In anticipation of an improvement in market conditions during the performance period and related market volatility, the Committee structured the PSU award such that performance is measured utilizing four distinct performance periods, individually weighted and averaged at the end of the three-year period. The performance periods consist of:

- 36-month period of January 1, 2022 - December 31, 2024, weighted at 40%,
- 12-month period of January 1, 2022 – December 31, 2022, weighted at 20%,
- 12-month period of January 1, 2023 – December 31, 2023, weighted at 20%, and
- 12-month period of January 1, 2024 – December 31, 2024, weighted at 20%.

Achievement will be determined based on the Company's ordinal ranking in each of the distinct TSR performance periods, and, at the conclusion of the three-year period, achieved performance in each of the distinct performance cycles will be weighted and averaged to determine earned achievement and calculate the number of PSUs earned. Payout potential ranges for the entirety of the PSU award from 0% to 200% of target award value, calculated by linear interpolation between the percentages assigned below.

<u>COMPANY RANKING</u>	<u>% OF TARGET PERFORMANCE UNITS</u>
90th Percentile or higher	200%
50th Percentile	100%
25th Percentile	50%
Less than 25th percentile	0%

In recognition of the importance of shareholder alignment, the Committee capped the earning of PSUs at target if the Company's absolute TSR during the performance period is less than negative 15%. The Committee set the cap at this level to ensure that management does not benefit disproportionately from shareholder returns that are more than marginally negative. The Committee also set a floor such that PSU achievement may not be less than target performance if TSR is above positive 15% to recognize delivered shareholder return irrespective of performance within the peer group. Additionally, the Committee has applied a price cap such that if the fair market value of a share exceeds \$20 on the date the Committee makes a determination with respect to achievement of TSR performance over the performance cycle (such date being the "determination date"), the number of PSUs that would have been earned will be reduced by multiplying such number of PSUs by a fraction, the numerator of which is \$20 and the denominator of which is the fair market value of a share on the determination date. The Committee set this price cap to prevent an unintended compensation windfall in a recovering market.

Upon completion of the 2022-2024 PSU performance cycle, the Committee will determine final payout levels, if any, and shares will be distributed to the Named Executive Officers, along with a cash payment equal to any dividends or equivalents for earned shares that may have accrued during the performance cycle.

RESTRICTED SHARE UNITS ("RSU")

The target award value of the 2022 RSU grants to each of the Named Executive Officers was weighted at 50% of each officer's total 2022 LTI target award value.

Time-vested RSUs were granted to all Named Executive Officers as part of the 2022 annual long-term incentive grants. Each RSU represents one share and the RSUs vest over a three-year schedule (ratably one-third each year), contingent upon continued service.

PSUs EARNED IN 2022

In 2023, the Committee evaluated the Company's TSR performance relative to the 15-member peer group established for the performance period from April 1, 2020 through December 31, 2022. Importantly, of the 15 peers, five went through restructuring, filed for bankruptcy, suspended trading, or were the target of an acquisition; whereas Transocean, through superior operating performance and timely, well-executed financial transactions, preserved and enhanced the equity of its shareholders. The Company's relative ranking was determined to be fourth of 15, resulting in PSU performance achievement of 171.43% of target.

EMPLOYMENT AGREEMENTS WITH NAMED EXECUTIVE OFFICERS

Employment agreements with our Executive Management Team comply with the Swiss Code, which prohibits the payment of severance benefits to members of the Executive Management Team. Other than the individual compensation terms applicable for each executive, the same basic form of employment agreement was used for Named Executive Officers with agreements.

INDIRECT COMPENSATION

In addition to base salary, annual and long-term incentive compensation, we offer limited indirect compensatory arrangements to our executives. These indirect elements of executive compensation are not performance-based and are offered as part of the overall compensation package to ensure that the package is competitive with other companies with which we compete for talent. Below is a summary of the indirect elements of compensation for our Named Executive Officers.

HEALTH, WELFARE AND RETIREMENT

Our Named Executive Officers are eligible for Company-wide benefits on substantially the same basis as other full-time employees, including savings, pension, medical and life insurance benefits. Our Named Executive Officers also receive a supplemental life insurance benefit equal to four times base salary capped at a maximum of \$4 million. In addition, we make a supplemental non-qualified defined contribution restoration plan available to employees (including the Named Executive Officers) to compensate for benefits that are capped due to U.S. Internal Revenue Service limits on qualified retirement plans.

PERQUISITES

The Committee eliminated all executive perquisites for our Named Executive Officers, effective January 1, 2017. As a result, none of our Named Executive Officers received perquisites in 2022.

POST-EMPLOYMENT COMPENSATION

We believe that the competitive marketplace for executive talent and our desire to retain our Executive Officers require us, subject to compliance with applicable law, to provide our Executive Officers with a severance package. Each of our Executive Officers who are not members of our Executive Management Team is eligible to receive severance benefits in the event the Company chooses to terminate the Executive Officer without cause. Subject to the Committee's approval, the benefits provided in the event of an involuntary termination under the terms of our Executive Severance Benefit Policy include a cash severance benefit limited to 52 weeks of base salary; a pro rata share of the termination year's award under the Bonus Plan for such executive; treatment of outstanding long-term incentive awards as provided for in the terms and conditions of each award (as more fully described under "Executive Compensation—Potential Payments Upon Termination or Change of Control"); and outplacement services not to exceed 5% of the base salary of the executive.

COMPENSATION DISCUSSION AND ANALYSIS

We also believe that the interests of our shareholders are served by including a double-trigger change-in-control provision in the Bonus Plan and the Long-Term Incentive Plan for Named Executive Officers who would be integral to the success of, and are most likely to be impacted by, a change of control the Company. By requiring two triggering events to occur, we believe that those Executive Officers who remain with the Company through a change of control will be appropriately focused on the success of the combined enterprise while those who depart because of a change of control will be appropriately compensated. The types of payments that will be made to our executives, along with estimated values as of December 31, 2022, are described under “Executive Compensation-Potential Payments Upon Termination or Change of Control.”

The Committee periodically reviews severance packages offered to the Executive Officers that are not part of our Executive Management Team to ensure the benefits are aligned with prevailing market practices. For a Named Executive Officer to receive the benefits described above, the Named Executive Officer must first sign a release of all claims against the Company and enter into a non-competition, non-solicitation, and confidentiality agreement covering our trade secrets and proprietary information.

The Swiss Code prohibits certain types of compensation payments to members of the Executive Management Team, including severance payments in any form. Therefore, members of the Executive Management Team are not eligible to participate in the Executive Severance Benefit Policy.

Executive Compensation Governance, Policy and Practice

The Committee is responsible for the executive compensation program design and decision-making process. The Committee solicits input from independent members of the Board of Directors, the Chief Executive Officer, other members of management, and the independent compensation consultant to assist with its responsibilities. The following summarizes the roles of each of the key participants in the executive compensation decision-making process.

COMPENSATION COMMITTEE

The Committee is composed solely of members of the Board of Directors who

- (i) are not employees of the Company, and
- (ii) meet the independence requirements of the NYSE.

The Committee acts on behalf of our Board of Directors to establish the executive compensation philosophy and oversee our executive compensation and long-term incentive programs. Specifically, the Committee is responsible for:

- Reviewing and approving the target and actual compensation paid to, and the benefits received by, our Executive Officers;
- Recommending focus areas for our Chief Executive Officer for approval by the members of our Board of Directors who meet the independence and experience requirements set forth in the Committee charter;
- Evaluating all aspects of our Chief Executive Officer’s performance in light of these focus areas (with the participation of all non-executive members of the Board of Directors) and setting our Chief Executive Officer’s compensation based on this evaluation as well as a review of compensation practices in the competitive market;
- Establishing and approving our executive compensation plans and arrangements to provide benefits to our Executive Officers in accordance with the goals and objectives of the Company, as established by the Board of Directors;
- Administering the Company’s LTI plans, including determining plan eligibility and approving individual awards for all plan participants;
- Administering the Company’s Performance Award and Cash Bonus Plan and approving individual awards for all Executive Officers;

- Considering and approving executive employment and, to the extent permissible under Swiss law, severance agreements or other contractual agreements that may be entered into with our Executive Officers (that shall not include “single-trigger” change-in-control agreements);
- Engage with our shareholders to review and consider their feedback on executive compensation design;
- Reviewing and discussing this Compensation Discussion and Analysis, the Company’s Swiss statutory compensation report and maximum aggregate compensation limits for the Board of Directors and members of the Executive Management Team with our management and, based upon such review and discussion, recommending to the Board of Directors that the Compensation Discussion and Analysis be included in the proxy statement for our Annual General Meeting or our annual report, as applicable; and
- Assessing the risks associated with the Company’s compensation arrangements.

The Committee makes all compensation decisions and approves all share-based awards for the Named Executive Officers and other Executive Officers. The Committee may exercise its discretion in modifying any compensation element to any Executive Officer, including reducing or increasing the payment amount for one or more components of such awards.

During 2022, the Compensation Committee consisted of the following directors: Glyn A. Barker (Chair), Vanessa C.L. Chang, and Samuel J. Merksamer.

INDEPENDENT COMPENSATION CONSULTANT

To assist in discharging its responsibilities and to ensure that we are continually reviewing and evolving our compensation programs with competitive market standards, the Committee engaged an independent executive compensation consulting firm, Pay Governance LLC (“Pay Governance”), that advised the Committee on executive compensation matters in 2022.

In order to preserve the independence of the Committee’s compensation consultant and avoid the appearance of an impairment of such independence, the Committee adopted a policy that any compensation consultant to the Committee may not provide other services to the Company in excess of \$100,000. Neither Pay Governance nor any of its affiliates provided the Company with any other services in 2022. In May 2022, the Committee assessed whether the work of Pay Governance for the Committee during 2022 raised any conflict of interest by conducting a review of several independence factors, which included the factors set forth under Rule 10C-1 of the Exchange Act. The Committee concluded that no conflict of interest was raised that would prevent Pay Governance from independently advising the Committee.

In advising the Committee, the compensation consultant reports to and acts at the direction of the Committee. The Committee directs the compensation consultant in the performance of its duties under its engagement to provide certain guidance on an ongoing basis, including:

- Expertise on compensation strategy and program design;
- Information relating to the selection of the Company’s peer groups;
- Relevant market data and alternatives to consider when making compensation decisions;
- Assistance in establishing and updating annual and long-term incentive guidelines;
- Periodic reviews of the total executive compensation program;
- Regular assessment of realizable pay-for-performance; and
- Support and advice as the Committee conducts its analysis of and makes its decisions regarding executive compensation.

COMPENSATION DISCUSSION AND ANALYSIS

The Committee does not necessarily adopt all recommendations made by the compensation consultant but uses the consultant's work as a reference in exercising its own judgment with respect to its own executive compensation actions and decisions.

The compensation consultant participates in every meeting of the Committee and meets privately with the Committee at the Committee's request. Our management provides information to the consultant but does not direct or oversee its activities with respect to our executive compensation program.

OTHER ADVISORS

From time-to-time, management engages other advisors to assist in providing advice to the Committee. Such advisors have included, among others, an outside law firm to provide advice regarding various legal issues, financial analysts to examine relevant performance metrics and an outside actuarial firm to evaluate benefit programs. The Committee evaluates these advisors for independence, when retained. No advisors other than Pay Governance were hired in 2022.

MANAGEMENT

Our Chief Executive Officer annually reviews the competitive pay position and the performance of each member of senior management other than himself. Our Chief Executive Officer's conclusions and recommendations, including base salary adjustments and award amounts for the current year and target annual award amounts for the next year under our Bonus Plan (other than for himself), are presented to the Committee. The Committee makes all compensation decisions and approves all share-based awards for the Named Executive Officers and other Executive Officers.

The Committee may exercise its discretion in modifying any compensation element to any Executive Officer, including reducing or increasing the payment amount for one or more components of such awards.

Officers and other employees in our Human Resources Department assist our Chief Executive Officer with his recommendations and develop and present other recommendations regarding compensation to the Committee as needed. Our officers and other employees participate in Committee discussions in an informational and advisory capacity and have no authority in the Committee's decision-making process.

SHARE OWNERSHIP GUIDELINES FOR EXECUTIVES

WE BELIEVE IT IS IMPORTANT FOR OUR NAMED EXECUTIVE OFFICERS TO BUILD AND MAINTAIN AN APPROPRIATE EQUITY STAKE IN THE COMPANY.

The Company's share ownership guidelines for Named Executive Officers are intended to further align executives' interests with the interests of our shareholders. Under these guidelines, Named Executive Officers must retain 50% of any shares that vest (net of tax shares) until the ownership guidelines are met. Each of our Named Executive Officers must own an amount of shares equivalent to the following:

CEO	6X Base Pay
President and/or Executive Vice President	3X Base Pay
Senior Vice President	2X Base Pay
Vice President	1X Base Pay

Compliance with this policy is reviewed by the Committee, and executives must certify their compliance on an annual basis. The Committee may exercise its discretion in response to any non-compliance of this policy. The Committee determined that all executives were in compliance with these requirements in 2022.

EXECUTIVE COMPENSATION RECOUPMENT/CLAWBACK POLICY

Under the Incentive Compensation Recoupment Policy, the Company is authorized to recover or adjust both cash and equity incentive compensation to the extent the Committee determines that payments or awards have exceeded the amount that would otherwise have been received, due to a restatement of financial results or if the Committee determines that an executive has engaged in, or has knowledge of, and fails to prevent or disclose, fraud or intentional misconduct pertaining to any financial reporting requirement. Further, the Committee has established terms and conditions for equity awards providing that awards may be forfeited in the event an executive's conduct is in violation of human resource or legal compliance and ethics policies, including our Code of Integrity.

NO HEDGING OR PLEDGING OF COMPANY SHARES

We have a policy that prohibits any employee, officer or director of the Company from engaging in short-term or speculative transactions in the Company's securities. It therefore is the Company's policy that employees, officers and directors and their family members or wholly-owned businesses not engage in any of the following transactions with respect to the Company's securities:

- Short sales;
- Publicly traded options;
- Hedging transactions; and
- Margin accounts and pledging.

Our Executive Officers and directors must certify compliance with the hedging and pledging provisions of our Insider Trading Policy on an annual basis, and all have done so.

USE OF TALLY SHEETS

The Committee reviews compensation tally sheets, prepared by management, that present comprehensive data on the total compensation and benefits package for each of our Named Executive Officers. Tally sheets include all current compensation obligations, as well as additional analyses with respect to payments at hypothetical terminations to consider the Company's obligations under such circumstances. The Committee does not use the tally sheets to determine the various elements of compensation or the actual amounts of compensation to be approved but, rather, to evaluate the Company's obligations under the various programs.

Tax Impact on Compensation

Section 162(m) of the Internal Revenue Code limits the annual tax deduction to \$1 million for compensation paid by a publicly held company to its chief executive officer, its chief financial officer, and certain of the company's other current and former executive officers.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors has reviewed and discussed the above Compensation Discussion and Analysis with management. Based on such review and discussions, the Compensation Committee recommended to the Company's Board of Directors that the above Compensation Discussion and Analysis be included in this proxy statement.

MEMBERS OF THE COMPENSATION COMMITTEE

Glyn A. Barker, Chair
Vanessa C.L. Chang
Samuel J. Merksamer

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table shows the compensation paid by the Company for the fiscal year ended December 31, 2022, to each of our Chief Executive Officer, Chief Financial Officer and the next three most highly compensated Executive Officers, who are collectively referred to herein as our Named Executive Officers.

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$)	BONUS (\$)	STOCK AWARDS ⁽¹⁾ (\$)	OPTION AWARDS ⁽¹⁾ (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION ⁽²⁾ (\$)	CHANGE IN PENSION VALUE AND NONQUALIFIED DEFERRED COMPENSATION EARNINGS ⁽³⁾ (\$)	ALL OTHER COMPENSATION ⁽⁴⁾ (\$)	TOTAL (\$)
Jeremy D. Thigpen	2022	1,133,523	—	8,591,879	—	1,713,886	—	294,575	11,733,864
Chief Executive Officer	2021	1,000,000	—	7,669,712	—	4,700,000	—	345,646	13,715,358
	2020	1,000,000	—	2,991,546	—	2,200,000	—	300,258	6,491,804
Mark L. Mey	2022	760,000	—	2,899,756	—	851,200	—	178,582	4,689,538
Executive Vice President and Chief Financial Officer	2021	760,000	—	2,761,096	—	2,016,040	—	211,855	5,748,991
	2020	760,000	—	1,153,881	—	1,136,960	—	187,192	3,238,031
Keelan I. Adamson	2022	783,523	—	3,007,154	—	877,546	—	159,958	4,828,181
President and Chief Operations Officer	2021	644,129	—	2,326,476	—	1,529,040	—	164,643	4,664,289
	2020	600,000	—	897,464	—	792,000	221,962	142,466	2,653,891
Howard E. Davis	2022	550,000	—	2,309,074	—	616,000	—	124,520	3,599,594
Executive Vice President and Chief Administrative and Information Officer	2021	550,000	—	2,198,650	—	1,479,000	—	145,562	4,373,212
	2020	550,000	—	918,832	—	726,000	—	129,802	2,324,634
Brady K. Long	2022	594,508	—	2,343,243	—	665,849	—	131,597	3,735,196
Executive Vice President and General Counsel	2021	550,000	—	2,045,257	—	1,411,500	—	148,278	4,155,035
	2020	550,000	—	854,726	—	726,000	—	131,861	2,262,589

- (1) These amounts represent the aggregate grant date fair value of performance share units and restricted share units granted in each year as shown in the "Grants of Plan-Based Awards for 2022" table and computed in accordance with the provisions of FASB ASC Topic 718. Regarding assumptions underlying the valuation of these equity awards, please see Note 15 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022.
- (2) These amounts represent annual cash bonuses payable to the Named Executive Officers based on service during the year and awarded in the following year pursuant to the Performance Award and Cash Bonus Plan. The Performance Award and Cash Bonus Plan, including the performance targets used for 2022, is described under the Compensation Discussion and Analysis – Annual Performance Bonus.
- (3) These amounts represent the change in value during the 12-month period ending on December 31 of each year. There are no nonqualified deferred compensation earnings included in this column because no Named Executive Officers received above-market or preferential earnings on such compensation during 2022, 2021 or 2020.
- (4) All Other Compensation for 2022 includes company matching contributions of \$30,500 to the account of each Named Executive Officer under the U.S. 401(k) Savings Plan; company matching contributions under the Savings Restoration Plan in the following amounts: Mr. Thigpen, \$237,852; Mr. Mey \$125,604; Mr. Adamson \$107,756; Mr. Davis, \$75,650; and Mr. Long \$80,101; and company-paid benefits in the following amounts: Mr. Thigpen \$26,223; Mr. Mey \$22,478; Mr. Adamson \$21,702; Mr. Davis, \$18,370; and Mr. Long \$20,996.

Grants of Plan-Based Awards for 2022

The following table provides information concerning the annual performance bonus and long-term incentive awards made to each of the Named Executive Officers in the fiscal year ended December 31, 2022.

	TYPE OF AWARD	GRANT DATE	ESTIMATED FUTURE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS ⁽¹⁾			ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS ⁽²⁾			ALL OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK OR UNITS ⁽³⁾	ALL OTHER OPTION AWARDS: NUMBER OF SHARES OF SECURITIES UNDERLYING OPTIONS ⁽³⁾	EXERCISE PRICE OF OPTION AWARDS (\$)	GRANT DATE FAIR VALUE OF STOCK AND OPTION AWARDS ⁽⁴⁾
			THRESHOLD (\$)	TARGET (\$)	MAXIMUM (\$)	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)				
Jeremy D. Thigpen	AIP		—	1,552,500	3,105,000							
	PSU	2/10/2022				—	1,133,145	2,266,290			4,430,030	
	RSU	2/10/2022							1,156,069		4,161,848	
Mark L. Mey	AIP		—	760,000	1,520,000							
	PSU	2/10/2022				—	382,436	764,872			1,495,134	
	RSU	2/10/2022							390,173		1,404,623	
Keelan I. Adamson	AIP		—	800,000	1,600,000							
	PSU	2/10/2022				—	396,600	793,200			1,550,508	
	RSU	2/10/2022							404,624		1,456,646	
Howard E. Davis	AIP		—	550,000	1,100,000							
	PSU	2/10/2022				—	304,534	609,068			1,190,576	
	RSU	2/10/2022							310,694		1,118,498	
Brady K. Long	AIP		—	600,000	1,200,000							
	PSU	2/10/2022				—	309,040	618,080			1,208,192	
	RSU	2/10/2022							315,292		1,135,051	

- (1) These amounts represent the potential payout opportunities to the Named Executive Officers for the 2022 performance period under the Performance Award and Cash Bonus Plan. There is no payout at or below threshold under this plan for 2022. Actual amounts earned by the Named Executive Officers under the plan are reported in the Non-Equity Incentive Plan Compensation column of the "Summary Compensation Table." For more information regarding the Performance Award and Cash Bonus Plan, including the performance targets used for 2022, see Compensation Discussion Analysis—Annual Performance Bonus.
- (2) The February 10, 2022 performance share unit award is subject to a 36-month performance period beginning January 1, 2022 and ending December 31, 2024. The actual number of performance units received will be determined in the first 60 days of 2025 and is contingent on the Company's performance in total shareholder return relative to the Performance Peer Group both on three-year performance measurement period and on three consecutive, one-year performance periods. Any earned shares will vest on December 31, 2024. The amounts shown under the Maximum column represent the payout level of 200%. There is no payout at or below threshold level under this plan for 2022.
- (3) These amounts represent the number of time-vested restricted share units granted to the Named Executive Officers under the long-term incentive plans. The units vest in one-third increments over an approximate 36-month period commencing on February 10, 2022. The first installment vested on March 1, 2023, and the other installments will vest on March 1, 2024, and March 1, 2025.
- (4) These amounts represent the grant date fair value of these awards computed in accordance with FASB ASC Topic 718. The 2022 performance share unit fair value is calculated using a Monte Carlo simulation to value total shareholder return at the share price on the date of grant.

EXECUTIVE COMPENSATION

Outstanding Equity Awards at Year-End 2022

The following table sets forth certain information with respect to outstanding equity awards at December 31, 2022, for the Named Executive Officers.

NAME	Grant Date	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (\$/SHARE)	OPTION EXPIRATION DATE	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED ⁽²⁾ (#)	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED ⁽³⁾ (\$)	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF UNEARNED SHARES, UNITS, OTHER RIGHTS THAT HAVE NOT VESTED ⁽⁴⁾⁽⁵⁾ (#)	EQUITY INCENTIVE PLAN AWARDS: MARKET OR PAYOUT VALUE OF UNEARNED SHARES, UNITS, OTHER RIGHTS THAT HAVE NOT VESTED ⁽³⁾ (\$)
		EXERCISABLE ⁽¹⁾	UNEXERCISABLE ⁽¹⁾						
Jeremy D. Thigpen	2/11/2016	233,957	—	8.61	2/10/2026				
	2/10/2017	217,618	—	13.35	2/9/2027				
	2/8/2018	328,947	—	9.18	2/7/2028				
	2/7/2019	432,099	—	8.35	2/6/2029				
	5/8/2020					363,637	1,658,185		
	2/12/2021					724,638	3,304,349		
	2/10/2022					1,156,069	5,271,675		
	5/8/2020							818,182	3,730,910
	2/12/2021							1,034,316	4,716,481
	2/10/2022							1,133,145	5,167,141
Mark L. Mey	2/11/2016	98,039	—	8.61	2/10/2026				
	2/10/2017	94,011	—	13.35	2/9/2027				
	2/8/2018	126,880	—	9.18	2/7/2028				
	2/7/2019	166,667	—	8.35	2/6/2029				
	5/8/2020					140,259	639,581		
	2/12/2021					260,870	1,189,567		
	2/10/2022					390,173	1,779,189		
	5/8/2020							315,584	1,439,063
	2/12/2021							372,354	1,697,934
	2/10/2022							382,436	1,743,908
Keelan I. Adamson	2/14/2013	15,767	—	59.30	2/13/2023				
	2/11/2016	44,118	—	8.61	2/10/2026				
	2/10/2017	46,657	—	13.35	2/9/2027				
	2/8/2018	62,970	—	9.18	2/7/2028				
	2/7/2019	111,111	—	8.35	2/6/2029				
	5/8/2020					109,091	497,455		
	2/12/2021					219,807	1,002,320		
	2/10/2022					404,624	1,845,085		
	5/8/2020							245,455	1,119,275
	2/12/2021							313,742	1,430,664
2/10/2022							396,600	1,808,496	
Howard E. Davis	2/11/2016	73,529	—	8.61	2/10/2026				
	2/10/2017	74,861	—	13.35	2/9/2027				
	2/8/2018	101,034	—	9.18	2/7/2028				
	2/7/2019	132,716	—	8.35	2/6/2029				
	5/8/2020					111,689	509,302		
	2/12/2021					207,730	947,249		
	2/10/2022					310,694	1,416,765		
	5/8/2020							251,299	1,145,923
	2/12/2021							296,504	1,352,058
	2/10/2022							304,534	1,388,675
Brady K. Long	2/11/2016	58,489	—	8.61	2/10/2026				
	2/10/2017	69,638	—	13.35	2/9/2027				
	2/8/2018	93,985	—	9.18	2/7/2028				
	2/7/2019	123,457	—	8.35	2/6/2029				
	5/8/2020					103,896	473,766		
	2/12/2021					193,237	881,161		
	2/10/2022					315,292	1,437,732		
	5/8/2020							233,766	1,065,973
	2/12/2021							275,818	1,257,730
	2/10/2022							309,040	1,409,222

(1) Each option award has a 10-year term from the grant date.

EXECUTIVE COMPENSATION

- (2) Restricted share units granted on May 8, 2020; one-third vested each of May 8, 2021, March 1, 2022, and March 1, 2023. Restricted share units granted on February 12, 2021; one-third vested on March 1, 2022, and March 1, 2023, and one-third will vest on March 1, 2024. Restricted share units granted on February 10, 2022; one-third vested on March 1, 2023, and one-third will vest on each March 1, 2024 and 2025.
- (3) For purposes of calculating the amounts in these columns, the closing price of our shares on the NYSE on December 30, 2022, of \$4.56 was used.
- (4) Performance share units granted in 2021 and 2022 are subject to a three-year performance period ending on December 31, 2023 and December 31, 2024, respectively. Performance share units granted in 2020 are subject to a 33-month performance period beginning April 1, 2020 and ending December 31, 2022. The actual number of performance share units received will be determined in the first 60 days following the end of the performance period and is contingent on our performance as determined by comparing our total shareholder return relative to the Performance Peer Group and absolute liquidity relative to annual targets. Any shares earned will vest on the last day of the performance period. For more information regarding long-term incentive plans, please see Compensation Discussion and Analysis—Long-Term Incentives.
- (5) Performance share units are listed at the targeted number of units.

Option Exercises and Shares Vested for 2022

The following table sets forth certain information with respect to the exercise of options and the vesting of RSUs and PSUs, as applicable, during 2022 for the Named Executive Officers.

NAME	NUMBER OF SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED ON EXERCISE (\$)	NUMBER OF SHARES ACQUIRED ON VESTING (#)	VALUE REALIZED ON VESTING ⁽¹⁾ (\$)
Jeremy D. Thigpen	—	—	1,063,866	3,845,781
Mark L. Mey	—	—	401,031	1,449,644
Keelan I. Adamson	—	—	305,885	1,105,912
Howard E. Davis	—	—	319,340	1,154,348
Brady K. Long	—	—	297,061	1,073,814

- (1) Value realized on vesting is calculated by multiplying the closing price of our shares on the NYSE on the date of release by the number of gross shares that were released on such date, including any shares subsequently withheld in satisfaction of requisite tax withholding.

Pension Benefits for 2022

We maintain the following pension plans for executive officers and other employees that provide for post-retirement income based on age and years of service:

- Transocean Savings Restoration Plan
- Transocean U.S. Retirement Plan
- Transocean Pension Equalization Plan

The following table and narrative disclosure set forth certain information with respect to pension benefits payable to the Named Executive Officers pursuant to these plans:

NAME	PLAN NAME	NUMBER OF YEARS CREDITED SERVICE (#)	PRESENT VALUE OF ACCUMULATED BENEFIT (\$)	PAYMENTS DURING 2022 (\$)
Jeremy D. Thigpen	Transocean Savings Restoration Plan	8	1,621,104	—
Mark L. Mey	Transocean Savings Restoration Plan	8	907,908	—
Keelan I. Adamson	Transocean Savings Restoration Plan	8	542,199	—
	Transocean U.S. Retirement Plan	10	397,429	—
	Transocean Pension Equalization Plan	10	355,702	—
Howard E. Davis	Transocean Savings Restoration Plan	7	525,246	—
Brady K. Long	Transocean Savings Restoration Plan	7	476,158	—

Transocean Savings Restoration Plan

The Company maintains the Transocean Savings Restoration Plan, a nonqualified, unfunded, defined contribution plan for key management employees who earn compensation in excess of certain limits in the Internal Revenue Code. All Named Executive Officers participate in this plan. Effective January 1, 2017, all participants in this plan are fully vested. The plan provides that eligible participants receive an annual contribution equal to 10% (or such other percentage as determined by the administrative committee) of the compensation earned in a particular calendar year that is in excess of the Internal Revenue Code limits. Compensation considered under this plan includes basic salary and annual performance bonus. A participant must be employed on the last day of the calendar year in order to receive a contribution for a particular year. Benefits are payable upon a participant's termination of employment, or six months after termination in the case of certain officers.

Transocean U.S. Retirement Plan

The Transocean U.S. Retirement Plan is a tax-qualified pension plan. Benefit accruals under this plan were frozen effective as of December 31, 2014. Mr. Adamson is the only Named Executive Officer who participates in this plan.

The purpose of the plan is to provide post-retirement income benefits to employees in recognition of their long-term service to the Company. Benefits available to executives are no greater than those offered to non-executive participants. The plan is funded through cash contributions made by the Company based on actuarial valuations and regulatory requirements. Employees working for the Company in the U.S. are fully vested after completing five years of eligible employment. Employees earn the right to receive a benefit upon retirement at the normal retirement age of 65 or upon early retirement (age 55 or older with five years of service).

EXECUTIVE COMPENSATION

Furthermore, employees earn the right to receive a benefit if they are active employees and age 65 or older (with five years of service).

The elements of compensation included in computing the retirement benefit are basic salary and annual performance bonuses earned prior to January 1, 2015. Retirement benefits are calculated as (i) the sum of 1% of the employee's compensation for each calendar year (or partial year) of employment, divided by (ii) twelve.

Certain assumptions and calculation methods were used to determine the values of the pension benefits disclosed in the "Pension Benefits for 2022" table above. In particular, monthly accrued pension benefits, payable at age 65, were determined as of December 31, 2022. The present value of these benefits was calculated based on assumptions used in the Company's financial statements for 2022.

Transocean Pension Equalization Plan

The Pension Equalization Plan ("PEP") is a nonqualified, unfunded, noncontributory pension plan that was frozen effective December 31, 2014. Mr. Adamson is the only Named Executive Officer with a frozen benefit in the PEP.

Certain employees are eligible to receive a benefit under the PEP if the level of their compensation prior to January 1, 2015, would otherwise cause them to exceed the Internal Revenue Code compensation limitations imposed on the Transocean U.S. Retirement Plan. The purpose of the PEP is to provide supplemental post-retirement income in recognition of service to the Company. Benefits are payable upon a participant's termination of employment, or six months after termination in the case of certain officers.

The plan recognizes the same forms of compensation and the same formula used to calculate the plan benefit as the Transocean U.S. Retirement Plan however, earnings are not limited to the pay cap under the Internal Revenue Code Section 401(a)(17) (\$260,000 in 2014 when the PEP was frozen). Benefits are not earned until the individual has five years of credited service with the Company.

Certain assumptions and calculation methods were used to determine the values of the pension benefits disclosed in the "Pension Benefits for 2022" table above. In particular, monthly accrued pension benefits, payable at age 65, were determined as of December 31, 2022. The present value of these benefits was calculated based on assumptions used in the Company's financial statements for 2022.

Potential Payments Upon Termination or Change of Control

The following table summarizes the treatment of outstanding awards as provided in the terms and conditions of each award.

EVENT	CONSEQUENCES
Voluntary not-for-cause termination	Restricted Share Units, Performance Share Units, Performance Cash and Stock Options – executive’s right to unvested portion of award terminates immediately; vested and outstanding stock options will remain exercisable for 60 days following termination (or until expiration, if sooner)
Involuntary not-for-cause termination or Retirement	<p>Restricted Share Units – prorated portion of award vests</p> <p>Performance Share Units and Performance Cash – prorated portion of award vests based on actual performance after the performance period ends</p> <p>Stock Options – unvested portion of award terminates immediately; vested and outstanding will remain exercisable for one year following termination (or until option expiration, if sooner)</p>
Termination due to Death or Disability	<p>Restricted Share Units – award vests</p> <p>Performance Share Units and Performance Cash – prorated portion of award vests based on actual performance after the performance period ends</p> <p>Stock Options – award vests and all vested and outstanding will remain exercisable for one year following termination (or until option expiration (or until option expiration, if sooner)</p>
Involuntary termination not-for-cause after a Change of Control	<p>Restricted Share Units – award vests</p> <p>Performance Share Units and Performance Cash – award vests based on target performance</p> <p>Stock options – awards vest and all vested and outstanding will remain exercisable for one year following termination (or until option expiration, if sooner)</p>

The following table sets forth certain information with respect to compensation that would be payable to the Named Executive Officers as of December 31, 2022, upon a variety of termination scenarios. It does not include benefits that are generally available to salaried employees on a non-discriminatory basis, including payments that would be made under the Company’s life and disability insurance plans, and unused vacation days.

EXECUTIVE COMPENSATION

As of December 31, 2022, the Named Executive Officers of the Company were eligible for the Executive Severance Benefit Policy. However, members of the Executive Management Team are further subject to the full limitations of the Minder Ordinance regarding severance.

NAME	TRIGGERING EVENT ⁽¹⁾	CASH SEVERANCE PAYMENT ⁽²⁾ (\$)	NON-EQUITY INCENTIVE COMPENSATION ⁽³⁾ (\$)	STOCK AWARDS ⁽⁴⁾ (\$)	OPTION AWARDS ⁽⁵⁾ (\$)	RETIREMENT PLAN BENEFIT ⁽⁶⁾ (\$)	TOTAL (\$)
Jeremy D. Thigpen	Voluntary Not-for-Cause	—	—	—	—	1,621,104	1,621,104
	Involuntary Not-for-Cause	—	1,738,800	19,170,628	—	1,621,104	22,530,532
	Retirement	—	1,738,800	19,170,628	—	1,621,104	22,530,532
	Death ⁽⁷⁾	—	1,738,800	22,551,854	—	1,621,104	25,911,758
	Disability ⁽⁷⁾	—	1,738,800	22,551,854	—	1,621,104	25,911,758
	Change of Control	—	1,738,800	23,848,741	—	1,621,104	27,208,645
Mark L. Mey	Voluntary Not-for-Cause	—	—	—	—	907,908	907,908
	Involuntary Not-for-Cause	—	851,200	7,016,504	—	907,908	8,775,612
	Retirement	—	851,200	7,016,504	—	907,908	8,775,612
	Death ⁽⁷⁾	—	851,200	8,179,550	—	907,908	9,938,658
	Disability ⁽⁷⁾	—	851,200	8,179,550	—	907,908	9,938,658
	Change of Control	—	851,200	8,489,243	—	907,908	10,248,351
Keelan I. Adamson	Voluntary Not-for-Cause	—	—	—	—	897,901	897,901
	Involuntary Not-for-Cause	—	896,000	5,974,270	—	897,901	7,768,171
	Retirement	—	896,000	5,974,270	—	897,901	7,768,171
	Death ⁽⁷⁾	—	896,000	7,117,152	—	753,468	8,766,620
	Disability ⁽⁷⁾	—	896,000	7,117,152	—	897,901	8,911,053
	Change of Control	—	896,000	7,703,295	—	897,901	9,497,195
Howard E. Davis	Voluntary Not-for-Cause	—	—	—	—	525,246	525,246
	Involuntary Not-for-Cause	577,500	616,000	5,587,222	—	525,246	7,305,968
	Retirement	—	616,000	5,587,222	—	525,246	6,728,468
	Death ⁽⁷⁾	—	616,000	6,513,358	—	525,246	7,654,604
	Disability ⁽⁷⁾	—	616,000	6,513,358	—	525,246	7,654,604
	Change of Control	577,500	616,000	6,759,972	—	525,246	8,478,718
Brady K. Long	Voluntary Not-for-Cause	—	—	—	—	476,158	476,158
	Involuntary Not-for-Cause	630,000	672,000	5,287,858	—	476,158	7,066,016
	Retirement	—	672,000	5,287,858	—	476,158	6,436,016
	Death ⁽⁷⁾	—	672,000	6,206,630	—	476,158	7,354,788
	Disability ⁽⁷⁾	—	672,000	6,206,630	—	476,158	7,354,788
	Change of Control	630,000	672,000	6,525,583	—	476,158	8,303,741

(1) These amounts represent obligations of the Company under agreements currently in place and valued as of December 31, 2022. Agreements do not provide for any single-trigger payments upon a change of control.

EXECUTIVE COMPENSATION

- (2) Amounts payable under the terms of the Executive Severance Benefit Policy. This includes a lump sum payment equal to 52 weeks of base salary as well as outplacement services (not to exceed 5% of the base salary) for Messrs. Davis and Long.
- (3) Amounts payable for the 2022 annual cash bonus earned.
- (4) These amounts represent the value of restricted share units and performance share units that would vest upon the triggering event, based on \$4.56, the closing stock price on the last trading day of 2022.
- (5) These amounts represent the (“in-the-money”) value of vested and unvested stock options.
- (6) These amounts represent the present value of PEP and Savings Restoration Plan benefits, which would have been payable as of December 31, 2022.
- (7) In addition to the benefits listed in the preceding table, payments will also be made under the Company’s life and disability insurance plans, a benefit that is generally available to all employees.

CEO Pay Ratio

As of December 31, 2022, we had a global workforce of approximately 5,000 employees comprised of approximately 2,000 U.S. employees and approximately 3,000 non-U.S. employees. Pursuant to the Securities Exchange Act of 1934, as amended, the Company is required to disclose in this proxy statement the ratio of the total annual compensation of our CEO to the total annual compensation of our median employee.

Based on SEC rules for this disclosure and applying the methodology described below, the Company determined that our CEO's total compensation for 2022 was \$11,766,864, and the 2022 total compensation of the median employee in U.S. dollars was \$112,484. Accordingly, for 2022, the Company estimates the ratio of our CEO's total compensation to the median total compensation of all employees to be 104 to 1.

Due to changes in our employee population and compensation arrangements, we are not using the same median employee as during the prior year. In determining the applicable median salary, we first excluded 244 of our non-U.S. employees located in Angola (148), Australia (3), Canada (2), Greece (6), Hungary (2), India (53), Namibia (3) and Singapore (27) representing less than 5% of our workforce, a de minimis number of non-U.S. employees. Next, for all other non-U.S. employees paid in local non-U.S. currency, salaries were denominated in U.S. dollars by applying applicable currency exchange rates in place on December 31, 2022. This currency exchange was necessary for comparison to our CEO pay, which is denominated in U.S. dollars. We then identified the median employee based on a tabulation of year-to-date earnings for all included employees on December 31, 2022, the last day of our fiscal year.

Once the median employee was identified as described above, the total annual compensation for 2022 for that employee was determined using the same rules that apply to reporting Named Executive Officer compensation in the Total column of the "Summary Compensation Table."

Pay Versus Performance

The following table displays our Named Executive Officer's compensation relative to the Company's key performance measures of net income, adjusted EBITDA and returns on a \$100 calculated investment in Company stock compared to the PHLX Oil Service Sector Index (OSX).

Pay Versus Performance Table

YEAR (a)	SUMMARY COMPENSATION TABLE TOTAL FOR CEO ¹ (b)	COMPENSATION ACTUALLY PAID TO CEO ² (c)	AVERAGE SUMMARY COMPENSATION TABLE TOTAL FOR NON-CEO NAMED EXECUTIVE OFFICERS ³ (d)	AVERAGE COMPENSATION ACTUALLY PAID TO NON-CEO NAMED EXECUTIVE OFFICERS ^{2,3} (e)	Value of Initial fixed \$100 Investment BASED ON ⁴ :			
					TOTAL SHAREHOLDER RETURN (f)	PEER GROUP TOTAL SHAREHOLDER RETURN (g)	NET INCOME (\$M) (h)	ADJUSTED EBITDA ⁵ (\$M) (i)
2022	\$11,733,864	\$18,982,502	\$4,213,127	\$6,391,352	\$66	\$113	-\$621	\$816
2021	\$13,715,358	\$14,571,784	\$4,735,382	\$4,999,729	\$40	\$70	-\$591	\$995
2020	\$6,491,804	\$3,401,473	\$2,619,786	\$1,679,139	\$34	\$58	-\$568	\$1,201

¹ Amounts shown represent the total compensation reported for our CEO, Mr. Thigpen, in the Summary Compensation Table for fiscal years 2022, 2021 and 2020.

² Amounts shown represent the amount of "compensation actually paid", as computed in accordance with SEC rules. These amounts do not reflect the actual compensation paid to our CEO or other Named Executive Officers during the applicable year, but also include (i) the year-end value of equity awards granted during the reported year, (ii) the change in the value of equity awards that were unvested at the end of the prior year, measured through the date the awards vested or were forfeited, or through the end of the reported fiscal year, and (iii) certain pension-related costs. The valuation assumptions used to calculate fair values did not materially differ from those disclosed at the time of grant. Adjustment details are provided in the tables below.

³ Years 2022, 2021 and 2020 reflect compensation information for our Named Executive Officers, other than our CEO.

⁴ Reflects cumulative total shareholder return of the Philadelphia SE Oil Services Sector (OSX) index, as of December 31, 2022, weighted according to each companies' market capitalization at the beginning of each period for which a return is indicated. The OSX is the peer group utilized by Transocean for purposes of Item 201(e) of Regulation S-K under the Exchange Act in Transocean's Annual Report on Form 10-K for the year ended December 31, 2022.

⁵ The reconciliation of adjusted EBITDA to net income in Appendix A of this proxy statement discloses how adjusted EBITDA is calculated from the Company's audited financial statements.

The following tables set forth the requisite adjustments to determine Compensation Actually Paid (CAP) to our CEO and the average Compensation Actually Paid (CAP) to our non-CEO Named Executive Officers for fiscal years 2022, 2021 and 2020.

The summary compensation table total for our CEO and the average summary compensation table totals for non-CEO Named Executive Officers are adjusted to arrive at the compensation actually paid and average compensation actually paid each year using the methodology as indicated in the table below.

EXECUTIVE COMPENSATION

With respect to equity award adjustments for each applicable year as disclosed in the table below, the valuation assumptions used to calculate fair values did not materially differ from those disclosed at the time of grant.

Summary Compensation Table to Compensation Actually Paid Adjustments	2022 (\$)	2021 (\$)	2020 (\$)
Summary Compensation Table	\$11,733,864	\$13,715,358	\$6,491,804
Adjustments to Determine Compensation Actually Paid for CEO			
Deduction for Change in the Actuarial Present Values reported under the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" Column of the Summary Compensation Table	-	-	-
Increase for "Service Cost" for Pension Plans	-	-	-
Increase for "Prior Service Cost" for Pension Plans	-	-	-
Deduction for amounts reported under the "Stock Awards" column in the Summary Compensation Table	(\$8,591,879)	(\$7,669,712)	(\$2,991,546)
Deduction for amounts reported under the "Option Awards" column in the Summary Compensation Table	-	-	-
Increase for fair value of awards granted during year that remain unvested as of year-end	\$10,705,332	\$6,154,665	\$5,608,800
Increase for fair value of awards granted during year that vest during year	-	-	-
Increase/deduction for change in fair value from prior year-end to current year-end of awards granted prior to year that were outstanding and unvested as of year-end	\$4,064,364	\$923,328	(\$3,868,380)
Increase/deduction for change in fair value from prior year-end to vesting date of awards granted prior to year that vested during year	\$1,070,821	\$1,448,145	(\$1,839,206)
Deduction of fair value of awards granted prior to year that were forfeited during year	-	-	-
Increase based on dividends or other earnings paid during year prior to vesting date of award	-	-	-
Total Adjustments	\$7,248,638	\$856,426	(\$3,090,331)
Compensation Actually Paid (CAP) to CEO	\$18,982,502	\$14,571,784	\$3,401,473

EXECUTIVE COMPENSATION

The individuals who were non-CEO Named Executive Officers during each applicable year are Messrs. Mey, Adamson, Davis and Long.

Summary Compensation Table to Compensation Actually Paid Adjustments	2022 (\$)	2021 (\$)	2020 (\$)
Summary Compensation Table	\$4,213,127	\$4,735,382	\$2,619,786
Adjustments to Determine Average Compensation Actually Paid for Non-CEO Named Executive Officers			
Deduction for Change in the Actuarial Present Values reported under the “Change in Pension Value and Nonqualified Deferred Compensation Earnings” Column of the Summary Compensation Table	(\$51,507)	(\$16,672)	(\$55,491)
Increase for “Service Cost” for Pension Plans	-	-	-
Increase for “Prior Service Cost” for Pension Plans	-	-	-
Deduction for amounts reported under the “Stock Awards” column in the Summary Compensation Table	(\$2,639,807)	(\$2,332,870)	(\$956,226)
Deduction for amounts reported under the “Option Awards” column in the Summary Compensation Table	-	-	-
Increase for fair value of awards granted during year that remain unvested as of year-end	\$3,289,153	\$1,872,043	\$1,792,813
Increase for fair value of awards granted during year that vest during year	-	-	-
Increase/deduction for change in fair value from prior year-end to current year-end of awards granted prior to year that were outstanding and unvested as of year-end	\$1,246,374	\$294,293	(\$1,187,687)
Increase/deduction for change in fair value from prior year-end to vesting date of awards granted prior to year that vested during year	\$334,010	\$447,553	(\$534,056)
Deduction of fair value of awards granted prior to year that were forfeited during year	-	-	-
Increase based on dividends or other earnings paid during year prior to vesting date of award	-	-	-
Total Adjustments	\$2,178,225	\$264,347	(\$940,647)
Average Compensation Actually Paid (CAP) to Non-CEO Named Executive Officers	\$6,391,352	\$4,999,729	\$1,679,139

EXECUTIVE COMPENSATION

Relationship Between Compensation Actually Paid and Performance Measures

As described in detail in our CD&A, the Committee utilizes multiple key financial, operational, and sustainability measures to correlate our Named Executive Officer's compensation to Company performance. In particular, the majority of compensation actually paid to our executives is based on the performance of Company stock. The key performance measures for 2022 are:

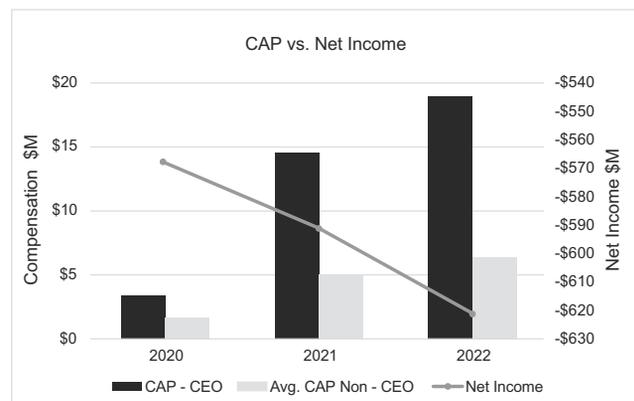
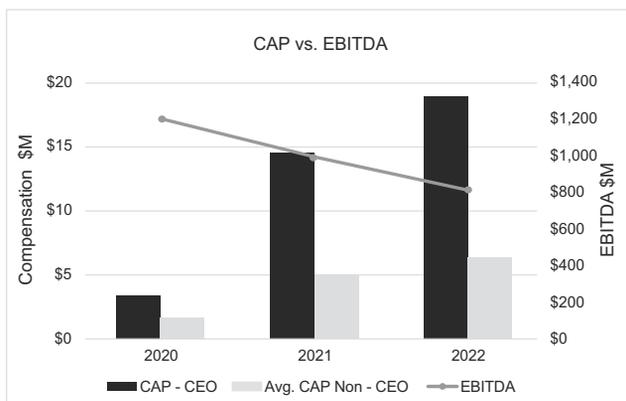
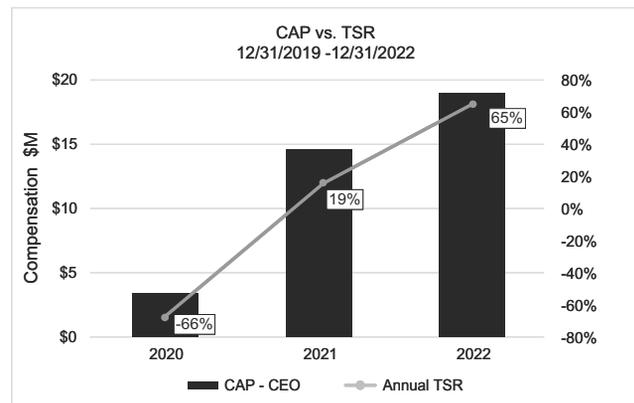
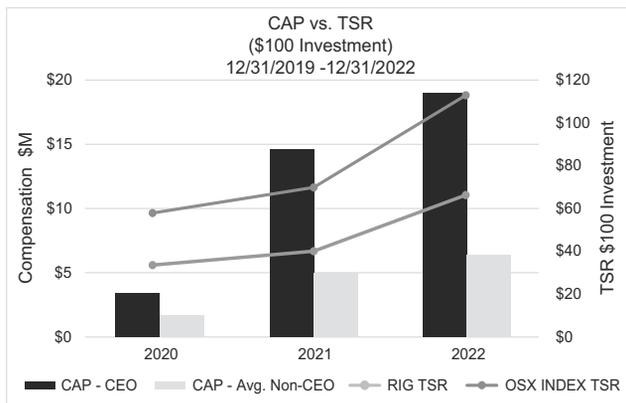
COMPANY SELECTED METRICS

Relative Total Shareholder Return
Adjusted EBITDA¹
Uptime¹
Sustainability²

¹ This is a non-GAAP metric that is defined in the CD&A

² Specific Company developed sustainability targets are explained in the CD&A

The following charts display the relationship between the Compensation Actually Paid to our CEO and the average of our non-CEO Named Executive Officers with the key performance measures of Company Total Shareholder Return (TSR), net income and adjusted EBITDA. Also included is the Company TSR, calculated for the one-, two- and three-year period based on an initial \$100 investment with a comparison to our peers based upon the PHLX Oil Service Sector Index (OSX), a modified market weighted index composed of companies involved in the oil services sector that, in addition to containing Company stock, includes the stock of 14 other oil services sector companies. Because the performance of Company stock, and the incremental changes in value of equity awards, is tied to the majority of the compensation actually paid to our executives (approximately 73% for our CEO), we have also included a chart displaying the annual TSR for the applicable periods presented. For additional information and context for our executive compensation practices, please refer to the CD&A.



EQUITY COMPENSATION PLAN INFORMATION

The following table provides information concerning securities authorized for issuance under our equity compensation plans as of December 31, 2022.

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (A)	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (B) (U.S.\$)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A)) (C) ⁽²⁾
Equity compensation plans approved by security holders ⁽¹⁾	4,175,520	10.63	36,907,902
Equity compensation plans not approved by security holders	—	—	—
Total	4,175,520	10.63	36,907,902

(1) We may also grant restricted share units and other forms of share-based awards under our long-term incentive plans previously approved by our shareholders. At December 31, 2022, we had 13,614,045 shares available for future issuance pursuant to grants of restricted share units.

(2) In February 2023, we granted share-based awards to our employees, following which we had 1,939,243 shares remaining available under our existing authorization to grant future share-based awards under our long-term incentive plan.

OTHER MATTERS

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee of the Board of Directors during 2022 were Glyn A. Barker, Chair, Vanessa C.L. Chang, Samuel J. Merksamer. There are no matters relating to interlocks or insider participation that we are required to report.

Householding

The SEC permits us, under certain circumstances, to send a single set of the Notice, proxy materials, and annual reports to any household at which two or more shareholders reside if they appear to be members of the same family. This procedure, referred to as householding, reduces the volume of duplicate information shareholders receive and reduces mailing and printing expenses.

In order to take advantage of this opportunity, we have delivered only one copy of the Notice or, if you previously requested to receive paper proxy materials by mail, one proxy statement and annual report to shareholders who share an address (unless we received contrary instructions from one or more of the affected shareholders prior to the mailing date). However, if any such shareholder residing at such an address wishes to receive a separate copy of any of these documents either now or in the future, or if any such shareholder who elected to continue to receive separate copies wishes to receive a single copy in the future, that shareholder should send a request in writing to Investor Relations at our offices in the United States, at 1414 Enclave Parkway, Houston, Texas 77077 or by calling +1 (713) 232-7500. We will deliver, promptly upon written or oral request to Investor Relations, a separate copy of the Notice, proxy materials or annual report, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered.

A number of brokerage firms have instituted householding. If your family or others with a shared address have one or more “street name” accounts under which you beneficially own shares, you may have received householding information from your broker/dealer, financial institution or other nominee in the past. Please contact the holder of record directly if you have questions, require additional copies of the proxy materials or wish to revoke your decision to household and thereby receive multiple copies.

Proposals of Shareholders

Shareholder Proposals in the Proxy Statement. Rule 14a-8 under the Exchange Act addresses when a company must include a shareholder’s proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. Under Rule 14a-8, in order for your proposals to be considered for inclusion in the proxy statement and proxy card relating to our 2024 Annual General Meeting, your proposals must be received at our principal executive offices c/o Transocean Ltd., Turmstrasse 30, 6312 Steinhausen, Switzerland by no later than 5:00 p.m. Swiss time on November 22, 2023. However, if the date of the 2024 Annual General Meeting changes by more than 30 days from the anniversary of the 2023 Annual General Meeting, the deadline is a reasonable time before we begin to print and mail our proxy materials. We will notify you of this deadline in a Quarterly Report on Form 10-Q, in a Current Report on Form 8-K or in another communication to you. Shareholder proposals must also be otherwise eligible for inclusion.

Shareholder Proposals and Nominations for Directors to be Presented at Meetings. If you desire to bring a matter before an annual general meeting and the proposal is submitted outside the process of Rule 14a-8, you must follow the procedures set forth in our Articles of Association. Our Articles of Association provide generally that, if you desire to propose any business at an annual general meeting (including the nomination of any director), you must give us written notice at least 30 calendar days prior to the anniversary date of the proxy statement in connection with Transocean’s last annual general meeting; provided, however, that if the date of the annual general meeting is 30 calendar days before or after the anniversary date of the last annual general meeting, such request must instead be made by the tenth day following the date on which we have made public disclosure of the date of the annual general meeting. The deadline under our Articles of Association for submitting proposals will be 5:00 p.m. Swiss time on February 20, 2024, for the 2024 Annual General Meeting unless it is more than 30 calendar days before or after May 11, 2024.

In order for the notice to be considered timely under Rule 14a-4(c) of the Exchange Act, proposals must be received no later than 5:00 p.m. Swiss time on February 20, 2024. The request must specify the relevant agenda items and motions, together with evidence of the required shareholdings recorded in the share register, as well as any other information required to be included in a proxy statement pursuant to the rules of the SEC.

If you desire to nominate directors to be presented at an annual general meeting, you must give us written notice within the time period described in the preceding paragraph. If you desire to nominate directors to be presented at an extraordinary general meeting at which the Board of Directors has determined that directors will be elected, you must give us written notice by the close of business on the tenth day following our public disclosure of the meeting date. Notice for the nomination of directors at any general meeting must set forth:

- Your name and address and the name and address of the person or persons to be nominated;
- A representation that you are a holder of record of our shares entitled to vote at the meeting or, if the record date for the meeting is subsequent to the date required for that shareholder notice, a representation that you are a holder of record at the time of the notice and intend to be a holder of record on the date of the meeting and; in either case, setting forth the class and number of shares so held, including shares held beneficially;
- A representation that you intend to appear in person (if permitted) or by proxy as a holder of record at the meeting to nominate the person or persons specified in the notice;
- A description of all arrangements or understandings between you and each nominee you propose and any other person or persons under which the nomination or nominations are to be made by you;
- Any other information regarding each nominee you propose that would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC; and
- The consent of each nominee to serve as a director if so elected.

In addition to satisfying the foregoing requirements under our Articles of Association, to comply with the universal proxy rules under Rule 14a-19 of the Exchange Act, shareholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by Rule 14a-19 of the Exchange Act no later than March 12, 2024.

The Board of Directors may refuse to transact any business you propose or to acknowledge your nomination of any person if you fail to comply with the foregoing procedures. You may obtain a copy of our Articles of Association and Organizational Regulations, in which these procedures are set forth, upon written request to our Corporate Secretary, Transocean Ltd., Turmstrasse 30, 6312 Steinhausen, Switzerland.

Cost of Solicitation

The accompanying proxy is being solicited on behalf of the Board of Directors. The expenses of preparing, printing and mailing the proxy and the materials used in the solicitation will be borne by us. We have retained Georgeson LLC for a fee of \$20,000, plus expenses, to aid in the solicitation of proxies. Proxies may be solicited by personal interview, mail, telephone, facsimile, internet or other means of electronic distribution by our directors, officers and employees, who will not receive additional compensation for those services. Arrangements also may be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of shares held by those persons, and we will reimburse them for reasonable expenses incurred by them in connection with the forwarding of solicitation materials.

Forward-Looking Statements

The statements included in this proxy statement, including in the letter to shareholders and in the section entitled Compensation Discussion and Analysis—Executive Summary, regarding future financial performance, results of operations, liquidity, stacking of assets and the market and other statements that are not historical facts are

OTHER MATTERS

forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. Forward-looking statements are subject to numerous risks, uncertainties and assumptions, including, but not limited to, the future prices of oil and gas, operating hazards and delays, actions by customers and other third parties, conditions in the drilling industry and in the capital markets and those described under “Item 1A. Risk Factors” in the 2022 Annual Report and in our other filings with the SEC. Should one or more of these risks or uncertainties materialize (or the other consequences of such a development worsen), or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or expressed or implied by such forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements, except as required by law.

APPENDIX A

TRANSOCEAN LTD. AND SUBSIDIARIES NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION AND RELATED MARGINS

(in millions, except percentages)

	Year ended 12/31/22
Contract Drilling Revenues	\$ 2,575
Contract intangible amortization	117
Adjusted Contract Drilling Revenues	\$ 2,692
Net loss	\$ (621)
Interest expense, net of interest income	534
Income tax expense	59
Depreciation and amortization	735
Contract intangible amortization	117
EBITDA	824
Gain on retirement of debt	(8)
Adjusted EBITDA	\$ 816
Loss Margin	(24.1) %
EBITDA Margin	30.6 %
Adjusted EBITDA Margin	30.3 %

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APPENDIX B

Amendment and Restatement of Transocean Ltd. 2015 Long-Term Incentive Plan

TRANSOCEAN LTD. 2015 LONG-TERM INCENTIVE PLAN (as amended and restated effective May __, 2023)

1. **Plan.** Transocean Ltd., a Swiss corporation (the “Company”), established this Transocean Ltd. 2015 Long-Term Incentive Plan (this “Plan”), effective as of May 15, 2015 (the “Effective Date”), as most recently amended and restated effective May __, 2023.
2. **Objectives.** This Plan is designed to attract and retain employees of the Company and its Subsidiaries, to attract and retain qualified non-employee directors of the Company, to encourage the sense of proprietorship of such employees and directors and to stimulate the active interest of such persons in the development and financial success of the Company and its Subsidiaries. These objectives are to be accomplished by making Awards under this Plan and thereby providing Participants with a proprietary interest in the growth and performance of the Company and its Subsidiaries.
3. **Definitions.** As used herein, the terms set forth below shall have the following respective meanings:

“*Award*” means the grant of any Option, Share Appreciation Right, Share-Based Award or Cash Award, any of which may be structured as a Performance Award, whether granted singly, in combination or in tandem, to a Participant pursuant to such applicable terms, conditions and limitations as the Committee may establish in accordance with the objectives of this Plan.

“*Award Agreement*” means the document (in written or electronic form) communicating the terms, conditions and limitations applicable to an Award. The Committee may, in its discretion, require that the Participant execute such Award Agreement or may provide for procedures through which Award Agreements are made effective without execution.

“*Board*” means the Board of Directors of the Company.

“*Cash Award*” means an Award denominated in cash.

“*Change of Control*” means:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “*Person*”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (x) the then outstanding shares of the Company (the “*Outstanding Company Shares*”) or (y) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “*Outstanding Company Voting Securities*”); *provided, however*, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation or other entity controlled by the Company or (4) any acquisition by any corporation or other entity pursuant to a transaction which complies with clauses (x) and (y) of subsection (iii) of this definition; or

(ii) Individuals who, as of the Effective Date, constitute the Board (the “*Incumbent Board*”) cease for any reason to constitute at least a majority of the Board; *provided, however*, that for purposes of this definition any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be

considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a scheme of arrangement, reorganization, merger, demerger, conversion or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “*Business Combination*”), in each case, unless, following such Business Combination, (x) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Shares and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares or shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or other entity resulting from such Business Combination (including, without limitation, a corporation or other entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Shares and Outstanding Company Voting Securities, as the case may be, and (y) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the action of the Board providing for such Business Combination; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time.

“*Committee*” means the Compensation Committee of the Board, and any successor committee thereto or such other committee of the Board as may be designated by the Board to administer this Plan in whole or in part including any subcommittee of the Board as designated by the Board.

“*Company*” means Transocean Ltd., a Swiss corporation, or any successor thereto.

“*Director*” means an individual serving as a member of the Board who is not an Employee.

“*Director Award*” means the grant of any Award (other than an Option, SAR or Cash Award) to a Participant who is a Director pursuant to such applicable terms, conditions, and limitations established by the Board.

“*Dividend Equivalents*” means, in the case of Restricted Share Units or Performance Units settled in Shares, an amount equal to all dividends and other distributions (or the economic equivalent thereof) that are payable to shareholders of record during the Restriction Period or performance period, as applicable, on a like number of Shares that are subject to the Award. Dividend Equivalents may be payable in cash or in any form determined by the Committee in its absolute discretion.

“*Employee*” means an employee of the Company or any of its Subsidiaries.

“*Employee Award*” means the grant of any Award, whether granted singly, in combination, or in tandem, to an Employee pursuant to such applicable terms, conditions, and limitations established by the Committee.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time.

“*Exercise Price*” means the price at which a Participant may exercise an Option or SAR.

“*Fair Market Value*” means, as of any day, the closing price of the Shares on such day (or on the next preceding business day, if such day is not a business day or if no trading occurred on such day) as reported on the New York Stock Exchange or on such other securities exchange or reporting system as may be designated by the Committee. In the event that the price of a Share shall not be so reported, the Fair Market Value of a Share shall be determined by the Committee in its absolute discretion.

“*Grant Date*” means the date an Award is granted to a Participant pursuant to this Plan.

“*Incentive Stock Option*” means an Option that is intended to comply with the requirements set forth in Code Section 422.

“*Nonqualified Stock Option*” means an Option that is not intended to comply with the requirements set forth in Code Section 422.

“*Option*” means a right to purchase a specified number of Shares at a specified Exercise Price, which is either an Incentive Stock Option or a Nonqualified Stock Option.

“*Participant*” means an Employee or Director to whom an Award has been made under this Plan.

“*Performance Award*” means an Award made pursuant to this Plan to a Participant which is subject to the attainment of one or more Performance Objectives.

“*Performance Objective*” means one or more standards established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

“*Performance Unit*” means a unit evidencing the right to receive in specified circumstances one Share or equivalent value in cash, determined as a function of the extent to which established performance criteria have been satisfied.

“*Performance Unit Award*” means an Award in the form of Performance Units.

“*Prior Plan*” means the Long-Term Incentive Plan of Transocean Ltd., as amended and restated as of February 12, 2009.

“*Restricted Share Award*” means an Award in the form of Restricted Shares.

“*Restricted Shares*” means a Share that is restricted or subject to forfeiture provisions.

“*Restricted Share Unit*” means a unit evidencing the right to receive in specified circumstances one Share or equivalent value in cash that is restricted or subject to forfeiture provisions.

“*Restricted Share Unit Award*” means an Award in the form of Restricted Share Units.

“*Restriction Period*” means a period of time beginning as of the date upon which a Restricted Share Award or Restricted Share Unit Award is made pursuant to this Plan and ending as of the date upon which such Award is no longer restricted or subject to forfeiture provisions.

“*Share Appreciation Right*” or “*SAR*” means a right to receive a payment, in cash or Shares, equal to the excess of the Fair Market Value of a specified number of Shares on the date the right is exercised over a specified Exercise Price.

“*Share-Based Award*” means an Award in the form of Shares, including a Restricted Share Award, a Restricted Share Unit Award or Performance Unit Award that may be settled in Shares, and excluding Options and SARs.

“*Share-Based Award Limitations*” has the meaning set forth in Paragraph 5(f)(ii).

“*Shares*” means the registered shares, par value 0.10 Swiss francs per share, of the Company.

“*Subsidiary*” means any entity, including partnerships and joint ventures, in which the Company has a significant ownership interest, as determined by the Committee.

4. **Eligibility.** All Employees are eligible for Employee Awards under this Plan. All Directors are eligible for Director Awards under this Plan. The Committee (or the Board, in the case of Director Awards) shall determine the type or types of Awards to be made under this Plan and shall designate from time to time the Employees or Directors who are to be granted Awards under this Plan.

5. **Shares Available for Awards; Award Limitations.**

- (a) *Shares Initially Available for Awards.* Subject to the provisions of Paragraph 15 hereof, there shall be available for Awards under this Plan granted wholly or partly in Shares (including rights or Options

that may be exercised for or settled in Shares) an aggregate of 114,500,000 Shares plus the 1,212,966 Shares remaining available for awards under the Prior Plan as of the Effective Date, all of which shall be available for Incentive Stock Options. Each Share issued pursuant to an award of Restricted Shares or Restricted Share Units (including those designated as Performance Awards) granted on or after the Effective Date shall reduce the Available Shares by 1.68.

- (b) *Shares Again Available for Awards.* If an Award expires or is terminated, cancelled or forfeited, the Shares associated with the expired, terminated, cancelled or forfeited Award shall again be available for Awards under this Plan. Notwithstanding the foregoing, the following Shares shall not become available for Awards under this Plan: (i) Shares tendered by a Participant or withheld by the Company for payment of an Exercise Price, (ii) Shares tendered by a Participant or withheld by the Company to satisfy the Company's tax withholding obligation in connection with an Award, (iii) Shares reacquired in the open market or otherwise using cash proceeds from the exercise of Options, and (iv) Shares that are not issued to a Participant due to a net settlement of an Award. For purposes of clarity, SARs and Options shall be counted in full against the Shares available for issuance under this Plan, regardless of the number of Shares issued upon settlement of the SARs and Options.
- (c) *Prior Plan.* Shares represented by awards granted under the Prior Plan that are forfeited, expired or canceled without delivery of Shares shall again become available for Awards under this Plan, with each such Share that relates to (i) awards of Options or SARs granted at any time or awards of Restricted Shares, Restricted Share Units, or Performance Units granted prior to May 15, 2009, increasing the Shares available for Awards under this Plan by 1.00 Share and (ii) awards of Restricted Shares, Restricted Share Units, or Performance Units granted on or after May 15, 2009, increasing the Shares available for Awards under this Plan by 1.68 Shares.
- (d) *Substitute Awards.* The foregoing notwithstanding, subject to applicable securities exchange listing requirements, the number of Shares available for Awards shall not be reduced by (x) Shares issued under Awards granted in assumption, substitution or exchange for previously granted awards of a company acquired by the Company and (y) available shares under a shareholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) and such shares shall be available for Awards under this Plan.
- (e) *Authority.* The Board and the appropriate officers of the Company shall from time to time take whatever actions are necessary to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that Shares are available for issuance pursuant to Awards.
- (f) *Award Limitations.* Notwithstanding anything to the contrary contained in this Plan, the following limitations shall apply to any Awards made hereunder:
 - (i) No Employee may be granted during any calendar year Awards consisting of Options or SARs that are exercisable with respect to Shares with an aggregate Fair Market Value in excess of \$10,000,000 taking into account the date of grant value of the Shares subject to, and without regard to the Exercise Price associated with, such Awards;
 - (ii) No Employee may be granted during any calendar year Awards that are Share-Based Awards with an aggregate Fair Market Value in excess of \$10,000,000 taking into account the date of grant value of the Shares subject to such Awards (the limitation set forth in this clause (ii), together with the limitation set forth in clause (i) above, being hereinafter collectively referred to as the "*Share-Based Award Limitations*");
 - (iii) No Employee may be granted during any calendar year Awards that may be settled solely in cash having a value determined on the Grant Date in excess of \$5,000,000; and

- (iv) No Director may be granted during any calendar year Director Awards having a value determined on the Grant Date in excess of \$1,000,000.

Shares delivered by the Company in settlement of Awards may be authorized and unissued Shares (Shares issued out of the Company's authorized or conditional share capital), Shares held in the treasury of the Company, Shares purchased on the open market or by private purchase or any combination of the foregoing.

6. Administration.

- (a) *Authority of the Committee.* Except as otherwise provided in this Plan with respect to actions or determinations by the Board, this Plan shall be administered by the Committee; *provided, however,* that (i) any and all members of the Committee shall satisfy any independence requirements prescribed by any stock exchange on which the Company lists its Shares; and (ii) Awards may be granted to individuals who are subject to Section 16(b) of the Exchange Act only if the Committee is composed solely of two or more "Non-Employee Directors" as defined in Securities and Exchange Commission Rule 16b-3 (as amended from time to time, and any successor rule, regulation or statute fulfilling the same or similar function). Subject to the provisions hereof, the Committee shall have full and exclusive power and authority to administer this Plan and to take all actions that are specifically contemplated hereby or are necessary or appropriate in connection with the administration hereof. The Committee shall also have full and exclusive power to interpret this Plan and to adopt such rules, regulations and guidelines for carrying out this Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of this Plan. Subject to Paragraph 6(c) hereof, the Committee may, in its discretion, (x) provide for the extension of the exercisability of an Award, or (y) in the event of death, disability, retirement or any other termination event, accelerate the vesting or exercisability of an Award, eliminate or make less restrictive any restrictions contained in an Award, waive any restriction or other provision of this Plan or an Award or otherwise amend or modify an Award in any manner that is, in either case, (i) not materially adverse to the Participant to whom such Award was granted, (ii) consented to by such Participant or (iii) authorized by Paragraph 15(c) hereof; *provided, however,* that except as expressly provided in Paragraph 8(b) or 8(c) hereof, no such action shall permit the term of any Option or SAR to be greater than 10 years from its Grant Date. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award Agreement in the manner and to the extent the Committee deems necessary or desirable to further this Plan's purposes. Any decision of the Committee in the interpretation and administration of this Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. The Board shall have the same powers as the Committee with respect to Director Awards.
- (b) *Indemnity.* No member of the Board or the Chief Executive Officer of the Company to whom the Committee has delegated authority in accordance with the provisions of Paragraph 7 of this Plan shall be liable for anything done or omitted to be done by such person, by any member of the Board or the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his own willful misconduct or as expressly provided by statute.
- (c) *Prohibition on Repricing of Awards.* Except for adjustments made pursuant to Paragraph 15, in no event will the Committee, without first obtaining approval by the majority of the shareholders of the Company, (i) decrease the Exercise Price of an Option or SAR after the Grant Date; (ii) accept for surrender to the Company any outstanding Option or SAR granted under this Plan as consideration for the grant of a new Option or SAR with a lower Exercise Price or for the grant of any other Award; (iii) repurchase from Participants whether for cash or any other consideration any outstanding Options or SARs that have an Exercise Price per share higher than the then current Fair Market Value of a Share; or (iv) grant any Option or SAR that contains a so-called "reload" feature under which additional Options, SARs or other Awards are granted automatically to the Participant upon exercise of the original Option or SAR.

- (d) *Minimum Vesting or Restriction Period.* Subject to Paragraph 6(a) hereof, all Awards shall have a minimum vesting period or Restriction Period, as applicable, of one year from the Grant Date; provided, however, that Awards with respect to up to five percent (5%) of the Shares available for Awards pursuant to this Plan (subject to adjustment as provided in Paragraph 15) may be issued pursuant to Awards without regard to the limitations of this Paragraph 6(d).
7. ***Delegation of Authority.*** The Committee may delegate any of its authority to grant Awards to Employees who are not subject to Section 16(b) of the Exchange Act subject to Paragraph 6(a) above, to the Board or the Chief Executive Officer of the Company, provided such delegation is made in writing and specifically sets forth such delegated authority. The Committee and the Board, as applicable, may engage or authorize the engagement of a third party administrator to carry out administrative functions under this Plan. Any such delegation hereunder shall only be made to the extent permitted by applicable law.
8. ***Employee Awards.***
- (a) *Award Provisions.* The Committee shall determine the type or types of Employee Awards to be made under this Plan and shall designate from time to time the Employees who are to be the recipients of such Awards. Each Employee Award shall be embodied in an Award Agreement, which shall contain such terms, conditions and limitations as shall be determined by the Committee, in its sole discretion, and, if required by the Committee, shall be signed by the Participant to whom the Award is granted and by the Company. Awards may consist of those listed in this Paragraph 8 and may be granted singly, in combination or in tandem. Awards may also be made in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other plan of the Company or any of its Subsidiaries, including the plan of any acquired entity. All or part of an Award may be subject to conditions established by the Committee. Upon the termination of employment by a Participant who is an Employee, any unexercised, unvested or unpaid Awards shall be treated as set forth in the applicable Award Agreement or in any other written agreement the Company has entered into with the Participant.
- (b) *Options.* An Employee Award may be in the form of an Option. An Option awarded pursuant to this Plan may consist of either an Incentive Stock Option or a Nonqualified Stock Option. The Exercise Price of an Option shall be not less than the Fair Market Value of the Shares on the Grant Date, subject to adjustment as provided in Paragraph 15 hereof. The term of an Option shall not exceed 10 years from the Grant Date. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any Option, including, but not limited to, the term of any Option and the date or dates upon which the Option becomes vested and exercisable, shall be determined by the Committee.
- (c) *Share Appreciation Rights.* An Employee Award may be in the form of an SAR. The Exercise Price for an SAR shall not be less than the Fair Market Value of the Shares on the Grant Date, subject to adjustment as provided in Paragraph 15 hereof. The holder of a tandem SAR may elect to exercise either the Option or the SAR, but not both. The exercise period for an SAR shall extend no more than 10 years after the Grant Date. Subject to the foregoing provisions, the terms, conditions, and limitations applicable to any SAR, including, but not limited to, the term of any SAR and the date or dates upon which the SAR becomes vested and exercisable, shall be determined by the Committee.
- (d) *Restricted Share Awards.* An Employee Award may be in the form of a Restricted Share Award. The terms, conditions and limitations applicable to any Restricted Share Award, including, but not limited to, the Restriction Period, shall be determined by the Committee.
- (e) *Restricted Share Unit Awards.* An Employee Award may be in the form of a Restricted Share Unit Award. The terms, conditions and limitations applicable to a Restricted Share Unit Award, including, but not limited to, the Restriction Period, shall be determined by the Committee. Subject to the terms of this Plan, the Committee, in its sole discretion, may settle Restricted Share Units in the form of cash or in Shares (or in a combination thereof) equal to the value of the vested Restricted Share Units.

- (f) **Performance Unit Awards.** An Employee Award may be in the form of a Performance Unit Award. Subject to the terms of this Plan, after the applicable performance period has ended, the Participant shall be entitled to receive settlement of the value and number of Performance Units earned by the Participant over the performance period, as determined based on the extent to which the corresponding performance objectives have been achieved. Settlement of earned Performance Units shall be as determined by the Committee and as evidenced in an Award Agreement. Subject to the terms of this Plan, the Committee, in its sole discretion, may settle earned Performance Units in the form of cash or in Shares (or in a combination thereof) equal to the value of the earned Performance Units as soon as practicable after the end of the performance period and following the Committee's determination of actual performance against the performance measures and related goals established by the Committee.
- (g) **Cash Awards.** An Employee Award may be in the form of a Cash Award. The terms, conditions and limitations applicable to a Cash Award, including, but not limited to, vesting or other restrictions, shall be determined by the Committee.
- (h) **Performance Awards.** Without limiting the type or number of Awards that may be made under the other provisions of this Plan, an Employee Award may be in the form of a Performance Award. The terms, conditions and limitations applicable to an Award that is a Performance Award shall be determined by the Committee. The Committee shall set Performance Objectives in its discretion which, depending on the extent to which they are met, will determine the value and/or amount of Performance Awards that will be paid out to the Participant and/or the portion of an Award that may be exercised. One or more Performance Objectives may apply to the Employee, one or more business units, divisions or sectors of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies. A Performance Objective shall include one or more of the following: (1) increased revenue; (2) net income measures (including but not limited to income after capital costs and income before or after taxes); (3) Share price measures (including but not limited to growth measures and total shareholder return); price per Share; market share; earnings per Share (actual or targeted growth); (4) earnings before interest, taxes, depreciation, and amortization ("EBITDA"); (5) economic value added (or an equivalent metric); (6) market value added; (7) debt to equity ratio; (8) cash flow measures (including but not limited to cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities cash flow value added, cash flow return on market capitalization); (9) return measures (including but not limited to return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity); (10) operating measures (including operating income, funds from operations, cash from operations, after-tax operating income; sales volumes, production volumes and production efficiency); (11) expense measures (including but not limited to overhead cost and general and administrative expense cost control and project management); (12) margins; (13) shareholder value; (14) total shareholder return; (15) proceeds from dispositions; (16) total market value and corporate values measures (including ethics compliance, environmental, human resources development and safety); and (17) any other measure determined by the Committee. Unless otherwise stated, such a Performance Objective need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria).
9. **Director Awards.** The Board has the sole authority to grant Director Awards from time to time in accordance with this Paragraph 9. Director Awards may consist of the forms of Award described in Paragraph 8, with the exception of Options, SARs, Performance Awards and Cash Awards, and shall be granted subject to such terms and conditions as specified in Paragraph 8. Each Director Award may, in the discretion of the Board, be embodied in an Award Agreement, which shall contain such terms, conditions, and limitations as shall be determined by the Board, in its sole discretion.

10. **Award Payment; Dividends and Dividend Equivalents.**

- (a) **General.** Payment of Awards may be made in the form of cash or Shares, or a combination thereof, and may include such restrictions as the Committee (or the Board, in the case of Director Awards) shall determine, including, but not limited to, in the case of Shares, restrictions on transfer and forfeiture provisions. For a Restricted Share Award, the certificates evidencing the shares of such Restricted Shares (to the extent that such shares are so evidenced) shall contain appropriate legends and restrictions that describe the terms and conditions of the restrictions applicable thereto. For a Restricted Share Unit Award that may be settled in Shares, the Shares that may be issued at the end of the Restriction Period shall be evidenced by book entry registration or in such other manner as the Committee may determine.
- (b) **Dividends and Dividend Equivalents.** Rights to (i) dividends will be extended to and made part of any Restricted Share Award and (ii) Dividend Equivalents may be extended to and made part of any Restricted Share Unit Award and Performance Unit Award, subject in each case to such terms, conditions and restrictions as the Committee may establish; *provided, however*, that (x) no such Dividends shall be paid with respect to unvested Restricted Shares and (y) no such Dividend Equivalents shall be paid with respect to unvested Restricted Share Unit Awards or Performance Unit Awards. Dividends or Dividend Equivalents with respect to unvested Restricted Shares, Restricted Share Unit Awards or Performance Unit Awards may, in the discretion of the Committee, be accumulated and paid to the Participant at the time that such Restricted Shares, Restricted Share Unit Award or Performance Unit Award vests. Dividends and/or Dividend Equivalents shall not be made part of any Options or SARs.
11. **Option Exercise.** The Exercise Price shall be paid in full at the time of exercise in cash or, if permitted by the Committee and elected by the Participant, the Participant may purchase such shares by means of the Company withholding Shares otherwise deliverable on exercise of the Award or tendering Shares valued at Fair Market Value on the date of exercise, or any combination thereof. The Committee, in its sole discretion, shall determine acceptable methods for Participants to tender Shares or other Awards. The Committee may provide for procedures to permit the exercise or purchase of such Awards by use of the proceeds to be received from the sale of Shares issuable pursuant to an Award (including cashless exercise procedures approved by the Committee involving a broker or dealer approved by the Committee). The Committee may adopt additional rules and procedures regarding the exercise of Options from time to time, provided that such rules and procedures are not inconsistent with the provisions of this Paragraph 11.
12. **Taxes.** The Company shall have the right to deduct applicable taxes from any Award payment and withhold, at the time of delivery or vesting of cash or Shares under this Plan, an appropriate amount of cash or number of Shares or a combination thereof for payment of required withholding taxes or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes; provided, however, that the number of Shares withheld for payment of required withholding taxes must equal no more than the required minimum withholding taxes. The Committee may also permit withholding to be satisfied by the transfer to the Company of Shares theretofore owned by the holder of the Award with respect to which withholding is required. If Shares are used to satisfy tax withholding, such Shares shall be valued based on the Fair Market Value when the tax withholding is required to be made.
13. **Amendment, Modification, Suspension or Termination.** The Board may amend, modify, suspend or terminate this Plan (and the Committee may amend an Award Agreement) for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law, except that (i) no amendment or alteration that would materially adversely affect the rights of any Participant under any Award previously granted to such Participant shall be made without the consent of such Participant and (ii) no amendment or alteration shall be effective prior to its approval by the shareholders of the Company to the extent shareholder approval is otherwise required by applicable legal requirements or the requirements of the securities exchange on which the Company's shares are listed, including any amendment that expands the types of Awards available under this Plan, materially increases the number of Shares available for Awards under this Plan, materially expands the classes of persons eligible for Awards under this Plan, materially extends the term of this Plan, materially changes the method of determining the Exercise Price of Options, or deletes or limits any provisions of this Plan that prohibit the repricing of Options or SARs.

14. **Assignability.** Unless otherwise determined by the Committee (or the Board in the case of Director Awards) or expressly provided for in an Award Agreement, no Award or any other benefit under this Plan shall be assignable or otherwise transferable except (i) by will or the laws of descent and distribution or (ii) pursuant to a domestic relations order issued by a court of competent jurisdiction that is not contrary to the terms and conditions of this Plan or applicable Award and in a form acceptable to the Committee. The Committee may prescribe and include in applicable Award Agreements other restrictions on transfer. Any attempted assignment of an Award or any other benefit under this Plan in violation of this Paragraph 14 shall be null and void. Notwithstanding the foregoing, no Award may be transferred for value or consideration.
15. **Adjustments.**
- (a) The existence of outstanding Awards shall not affect in any manner the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the capital stock of the Company or its business or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock (whether or not such issue is prior to, on a parity with or junior to Shares) or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding of any kind, whether or not of a character similar to that of the acts or proceedings enumerated above.
 - (b) In the event of any subdivision or consolidation of outstanding Shares, declaration of a dividend payable in Shares, combination of shares, or other stock split, then (1) the number of Shares reserved under this Plan, (2) the number of Shares covered by outstanding Awards in the form of Shares or units denominated in Shares, (3) the Exercise Price or other price in respect of such Awards, (4) the Share-Based Award Limitations, and (5) the appropriate Fair Market Value and other price determinations for such Awards shall each be proportionately adjusted by the Committee as appropriate to reflect such transaction. In the event of any other recapitalization or capital reorganization of the Company, any consolidation or merger of the Company with another corporation or entity, the adoption by the Company of any plan of exchange affecting the Shares, rights offer, dissolution, demerger, conversion, spin-off, or any distribution to holders of Shares of securities or property (other than normal cash dividends or dividends payable in Shares), the Committee shall make appropriate adjustments to (i) the number of Shares reserved under this Plan, (ii) the number and kind of Shares covered by Awards in the form of Shares or units denominated in Shares, (iii) the Exercise Price or other price in respect of such Awards, (iv) the appropriate Fair Market Value and other price determinations for such Awards, and (v) the Share-Based Award Limitations to reflect such transaction; provided that such adjustments shall only be such as are necessary to maintain the proportionate interest of the holders of the Awards and preserve, without increasing, the value of such Awards.
 - (c) In the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Committee may make such adjustments to Awards or other provisions for the disposition of Awards as it deems equitable, and shall be authorized, in its discretion, (i) to provide for the substitution of a new Award or other arrangement (which, if applicable, may be exercisable for such property or stock as the Committee determines) for an Award or the assumption of the Award, regardless of whether in a transaction to which Code Section 424(a) applies, (ii) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award and, if the transaction is a cash merger, provide for the termination of any portion of the Award that remains unexercised at the time of such transaction, or (iii) to cancel any such Awards and to deliver to the Participants cash in an amount that the Committee shall determine in its sole discretion is equal to the Fair Market Value of such Awards on the date of such event, which in the case of Options or Share Appreciation Rights shall be the excess (if any) of the Fair Market Value of Shares on such date over the Exercise Price of such Award.

- (d) No adjustment or substitution pursuant to this Paragraph 15 shall be made in a manner that results in noncompliance with the requirements of Code Section 409A, to the extent applicable.
16. **Restrictions.** No Shares or other form of payment shall be issued with respect to any Award unless the Company shall be satisfied based on the advice of its counsel that such issuance will be in compliance with applicable federal and state securities and other laws. Certificates evidencing Shares delivered under this Plan (to the extent that such Shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Shares are then listed or to which it is admitted for quotation and any applicable federal or state securities or other laws. The Committee may cause a legend or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.
17. **Unfunded Plan.** This Plan is unfunded. Although bookkeeping accounts may be established with respect to Participants who are entitled to cash, Shares or rights thereto under this Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Shares or rights thereto, nor shall this Plan be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Shares or rights thereto to be granted under this Plan. Any liability or obligation of the Company to any Participant with respect to an Award of cash, Shares or rights thereto under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Award Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. None of the Company, the Board or the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan. With respect to this Plan and any Awards granted hereunder, Participants are general and unsecured creditors of the Company and have no rights or claims except as otherwise provided in this Plan or any applicable Award Agreement.
18. **Code Section 409A.**
- (a) Awards made under this Plan are intended to comply with or be exempt from Code Section 409A, and ambiguous provisions hereof, if any, shall be construed and interpreted in a manner consistent with such intent. No payment, benefit or consideration shall be substituted for an Award if such action would result in the imposition of taxes under Code Section 409A. Notwithstanding anything in this Plan to the contrary, if any Plan provision or Award under this Plan would result in the imposition of an additional tax under Code Section 409A, that Plan provision or Award shall be reformed, to the extent permissible under Code Section 409A, to avoid imposition of the additional tax, and no such action shall be deemed to adversely affect the Participant's rights to an Award.
- (b) Unless the Committee provides otherwise in an Award Agreement, each Restricted Share Unit Award, Performance Unit Award or Cash Award (or portion thereof if the Award is subject to a vesting schedule) shall be settled no later than the 15th day of the third month after the end of the first calendar year in which the Award (or such portion thereof) is no longer subject to a "substantial risk of forfeiture" within the meaning of Code Section 409A. If the Committee determines that a Restricted Share Unit Award, Performance Unit Award or Cash Award is intended to be subject to Code Section 409A, the applicable Award Agreement shall include terms that are designed to satisfy the requirements of Code Section 409A.
- (c) If the Participant is identified by the Company as a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) on the date on which the Participant has a "separation from service" (other than due to death) within the meaning of Treasury Regulation § 1.409A-1(h), any Award payable or settled on account of a separation from service that is deferred compensation subject to Code Section 409A shall be paid or settled on the earliest of (i) the first business day following the expiration of six months from the Participant's separation from service, (ii) the date of the Participant's death, or (iii) such earlier date as complies with the requirements of Code Section 409A.

19. **Governing Law.** This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Texas.
20. **No Right to Continued Service or Employment.** Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate any Participant's employment or other service relationship with the Company or its Subsidiaries at any time, nor confer upon any Participant any right to continue in the capacity in which such Participant is employed or otherwise serves the Company or its Subsidiaries.
21. **Non-Uniform Determinations.** Determinations by the Committee or the Board under this Plan (including, without limitation, determinations of the persons to receive Awards under this Plan; the form, amount and timing of such Awards; the terms and provisions of such Award Agreements evidencing same; and provisions with respect to termination of employment or service) need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under this Plan, whether or not such persons are similarly situated.
22. **Clawback Right.** Notwithstanding any other provisions in this Plan, any Award shall be subject to recovery or clawback by the Company under the Company's Incentive Compensation Recoupment Policy or any other clawback policy adopted by the Company whether before or after the Grant Date of the Award.
23. **Usage.** Words used in this Plan in the singular shall include the plural and in the plural the singular, and the gender of words used shall be construed to include whichever may be appropriate under any particular circumstances of the masculine, feminine or neuter genders.
24. **Headings.** The headings in this Plan are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Plan.
25. **Effectiveness.** This Plan was initially approved by the holders of a majority of Shares present, or represented, and entitled to vote at the 2015 annual general meeting of the Company's shareholders and became effective as of the Effective Date. The Plan was thereafter amended and restated and approved by the holders of a majority of Shares, present, or represented, and entitled to vote at the 2020 annual general meeting of the Company's shareholders, effective May 7, 2020. The Plan was thereafter amended and restated effective May 8, 2020. The Plan was further amended and restated and approved by the holders of a majority of Shares present, or represented, and entitled to vote at both the 2021 and 2023 annual general meetings of the Company's shareholders, effective May 27, 2021 and May ____, 2023, respectively. This Plan shall continue until terminated by action of the Board.

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ANNEX A

Amendment to Article 5 of the Articles of Association

	Artikel 5		Article 5	
Kapitalband	1	Die Gesellschaft verfügt über ein Kapitalband zwischen CHF 79'724'533.50 (untere Grenze) und CHF 95'669'440.20 ⁽¹⁾ (obere Grenze). Das Kapitalband kann für die Zwecke und gemäss den Bestimmungen dieses Artikels 5 genutzt werden.	1	The Company has a capital band ranging from CHF 79,724,533.50 (lower limit) to CHF 95,669,440.20 ⁽¹⁾ (upper limit). The capital band may be used for the purpose of and in accordance with the provisions of this Article 5.
		A. Für allgemeine Zwecke	A. For General Purposes	
	2	Der Verwaltungsrat ist im Rahmen des Kapitalbands gemäss diesem Artikel 5, jedoch maximal durch Ausgabe von bis zu 159'449'067 voll zu liberierenden Aktien (d.h. Namenaktien mit einem Nennwert von je CHF 0.10), allgemein ermächtigt, bis zum 11. Mai 2024 oder bis zu einer früheren vollständigen Verwendung bzw. einem früheren Dahinfallen des Kapitalbands gemäss diesem Artikel 5 das Aktienkapital einmal oder mehrmals und in beliebigen Beträgen zu erhöhen. Weiter kann im Rahmen des Kapitalbands gemäss diesem Artikel 5 eine Erhöhung der Nennwerte der Aktien erfolgen (jedoch maximal bis zu CHF 15'944'906.70).	2	The Board of Directors shall be generally authorized to increase the share capital once or several times and in any amount within the range of the capital band pursuant to this Article 5, but in any event at a maximum through the issuance of up to 159,449,067 fully paid-in Shares (i.e., shares with a par value of CHF 0.10 each), until May 11, 2024 or until an earlier complete use or earlier expiration of the capital band pursuant to this Article 5. A capital increase may further be effected within the range of the capital band pursuant to this Article 5 by way of an increase of the par value of the Shares (but in any event at a maximum of CHF 15,944,906.70).
	3	Bei einer Erhöhung des Aktienkapitals im Rahmen des Kapitalbands gemäss diesem Abschnitt A von Artikel 5 legt der Verwaltungsrat, soweit erforderlich, den Ausgabebetrag, die Art der Einlagen (einschliesslich Barliberierung, Sacheinlage, Verrechnung und Umwandlung von Reserven oder eines Gewinnvortrags in	3	In the event of a capital increase within the capital band pursuant to this section A of Article 5, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution (including a cash contribution, a contribution in kind, set-off and conversion of reserves or profit carried forward into share capital), the

	<p>Aktienkapital), den Zeitpunkt der Ausgabe, die Bedingungen der Bezugsrechtsausübung und den Beginn der Dividendenberechtigung fest. Dabei kann der Verwaltungsrat neue Aktien mittels Festübernahme durch eine Bank, ein Bankenkonsortium oder einen anderen Dritten und anschliessendem Angebot an die bisherigen Aktionäre oder an Dritte (sofern die Bezugsrechte der bisherigen Aktionäre aufgehoben sind oder nicht gültig ausgeübt werden) ausgeben. Der Verwaltungsrat ist ermächtigt, den Handel mit Bezugsrechten zu ermöglichen, zu beschränken oder auszuschliessen. Nicht gültig ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen, oder er kann diese bzw. Aktien, für welche Bezugsrechte eingeräumt, aber nicht gültig ausgeübt werden, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft verwenden.</p>	<p>date of issue, the conditions for the exercise of subscription rights and the commencement date for dividend entitlement. The Board of Directors may issue new Shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these Shares to the existing shareholders or third parties (if the subscription rights of the existing shareholders have been withdrawn or have not been duly exercised). The Board of Directors is entitled to permit, to restrict or to exclude the trade with subscription rights. The Board of Directors may permit the expiration of subscription rights that have not been duly exercised, or it may place such rights or Shares as to which subscription rights have been granted, but not duly exercised, at market conditions or may use them otherwise in the interest of the Company.</p>
4	<p>Der Verwaltungsrat ist im Fall einer Ausgabe von Aktien im Rahmen des Kapitalbands gemäss diesem Abschnitt A von Artikel 5 ermächtigt, das Bezugsrecht der bisherigen Aktionäre aufzuheben oder zu beschränken und Dritten (einschliesslich einzelnen Aktionären), der Gesellschaft oder einer ihrer Konzerngesellschaften zuzuweisen:</p> <p>(a) wenn der Ausgabebetrag der neuen Aktien unter Berücksichtigung des Marktpreises festgesetzt wird; oder</p>	<p>4 In the event of a Share issue within the capital band pursuant to this section A of Article 5 the Board of Directors is further authorized to withdraw or restrict subscription rights of existing shareholders and allocate such rights to third parties (including individual shareholders), the Company or any of its group companies:</p> <p>(a) if the issue price of the new Shares is determined by reference to the market price; or</p>

- | | |
|--|---|
| <p>(b) für die Beschaffung von Eigenkapital auf eine schnelle und flexible Weise, welche ohne den Ausschluss der Bezugsrechte der bisherigen Aktionäre nicht oder nur schwer oder zu wesentlich schlechteren Bedingungen möglich wäre; oder</p> | <p>(b) for raising equity capital in a fast and flexible manner, which would not be possible, or would only be possible with great difficulty or at significantly less favorable conditions, without the exclusion of the subscription rights of existing shareholders; or</p> |
| <p>(c) für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen, den Erwerb von Produkten, Immaterialgütern oder Lizenzen durch oder Investitionsvorhaben der Gesellschaft oder einer ihrer Konzerngesellschaften oder für die Finanzierung oder Refinanzierung solcher Transaktionen durch eine Aktienplatzierung; oder</p> | <p>(c) for the acquisition of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or licenses by or for investment projects of the Company or any of its group companies, or for the financing or refinancing of any of such transactions through a placement of Shares; or</p> |
| <p>(d) zum Zwecke der Erweiterung des Aktionärskreises der Gesellschaft in bestimmten Finanz- oder Investoren-Märkten, zur Beteiligung von strategischen Partnern einschliesslich Finanzinvestoren oder im Zusammenhang mit der Kotierung von neuen Aktien an inländischen oder ausländischen Börsen; oder</p> | <p>(d) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic partners, including financial investors, or in connection with the listing of new Shares on domestic or foreign stock exchanges; or</p> |
| <p>(e) für die Einräumung einer Mehrzuteilungsoption (Greenshoe) von bis zu 20% der zu platzierenden oder zu verkaufenden Aktien an die betreffenden Erstkäufer oder Festübernehmer im Rahmen einer</p> | <p>(e) for purposes of granting an over-allotment option (Greenshoe) of up to 20% of the total number of Shares in a placement or sale of Shares to the respective initial purchaser(s) or underwriter(s).</p> |

Aktienplatzierung oder
eines Aktienverkaufs.

[...]

**[B.][C.]⁽²⁾ Allgemeine
Bestimmungen**

- [5][8] Nach einer Nennwertveränderung im Rahmen des Kapitalbands gemäss diesem Artikel 5 sind neue Aktien mit gleichem Nennwert auszugeben wie die bestehenden Aktien.
- [6][9] Erhöht sich das Aktienkapital aufgrund einer bedingten Kapitalerhöhung nach Artikel 6 dieser Statuten, so erhöhen sich die obere und die untere Grenze des Kapitalbands entsprechend dem Umfang der Erhöhung des Aktienkapitals.
- [7][10] Im Falle einer Ausgabe von neuen Aktien unterliegen Zeichnung und Erwerb der neuen Aktien sowie jede nachfolgende Übertragung der Aktien den Beschränkungen von Artikel 7 und Artikel 9 dieser Statuten.

[...]

[B.][C.]⁽²⁾ General Provisions

- [5][8] After a change of the par value within the capital band pursuant to this Article 5, new Shares shall be issued with the same par value as the existing Shares.
- [6][9] If the share capital increases as a result of a conditional capital increase pursuant to Article 6 of these Articles of Association, the upper and lower limits of the capital band shall increase in an amount corresponding to such increase in the share capital.
- [7][10] In the event of an issue of new Shares, the subscription and acquisition of the new Shares and any subsequent transfer of the Shares shall be subject to the limitations pursuant to Article 7 and Article 9 of these Articles of Association.

- (1) If both Agenda Items 5 and 14B are approved, (i) this number will be increased to reflect the aggregate authorization from these agenda items, and (ii) the proposed limitations to Article 5 of the Articles of Association on the use of capital authorized under Agenda Item 14B would also be incorporated into Article 5, resulting in a general authorization to issue 159,449,067 shares as described in Agenda Item 5 and a limited authorization to issue 30,000,000 shares as described in Agenda Item 14B.
- (2) If both Agenda Items 5 and 14B are approved, the order of this section will be revised to incorporate the provisions in Annex B, accordingly.

ANNEX B

Amendment to Article 5 of the Articles of Association

	Artikel 5		Article 5		
Kapitalband	1	Die Gesellschaft verfügt über ein Kapitalband zwischen CHF 79'724'533.50 (untere Grenze) und CHF 82'724'533.50 ⁽¹⁾ (obere Grenze). Das Kapitalband kann für die Zwecke und gemäss den Bestimmungen dieses Artikels 5 genutzt werden. [...]	Capital Band	1	The Company has a capital band ranging from CHF 79,724,533.50 (lower limit) to CHF 82,724,533.50 ⁽¹⁾ (upper limit). The capital band may be used for the purpose of and in accordance with the provisions of this Article 5. [...]
		[A.][B.]⁽²⁾ Für Beteiligungspläne			[A.][B.]⁽²⁾ For Incentive Plans
	[2][5]	Der Verwaltungsrat ist im Rahmen des Kapitalbands gemäss diesem Art. 5 ermächtigt, bis zum 11. Mai 2028 oder bis zu einer früheren vollständigen Verwendung bzw. einem früheren Dahinfallen des Kapitalbands gemäss diesem Artikel 5 das Aktienkapital einmal oder mehrmals und in beliebigen Beträgen, jedoch maximal durch Ausgabe von bis zu 30'000'000 voll zu liberierenden Aktien (d.h. Namenaktien mit einem Nennwert von je CHF 0.10), für die Zwecke gemäss Artikel 5 Absatz 6 zu erhöhen.		[2][5]	The Board of Directors shall be authorized to increase the share capital within the capital band pursuant to this Article 5 for the purposes of Article 5 para. 6 once or several times and in any amount, but in any event at a maximum through the issuance of up to 30,000,000 fully paid-in Shares (i.e., shares with a nominal value of CHF 0.10 each), until May 11, 2028 or until an earlier complete use or earlier expiration of the capital band pursuant to this Article 5.
	[3][6]	Das Bezugsrecht der bisherigen Aktionäre wird für den Fall einer Ausgabe von Aktien im Rahmen des Kapitalbands gemäss diesem Abschnitt B von Artikel 5 aufgehoben. Die Ausgabe von Aktien erfolgt direkt oder indirekt, einschliesslich über eine von der Gesellschaft kontrollierten Tochtergesellschaft, an Mitglieder des Verwaltungsrates, Mitglieder der Geschäftsleitung, Officers,		[3][6]	The subscription rights of existing shareholders shall be excluded in the event of a Share issue within the capital band pursuant to this section B of Article 5. Shares shall be issued, directly or indirectly, including by intermediation of a subsidiary Controlled by the Company, to members of the Board of Directors, members of the executive management team, officers, employees, contractors, consultants or

Arbeitnehmer, Beauftragte, Berater

oder anderen Personen, welche Dienstleistungen für die Gesellschaft oder ihre Tochtergesellschaften erbringen, die gemäss einem oder mehreren Beteiligungsplänen der Gesellschaft zum Bezug von Aktien berechtigt sind. Die Ausgabe von Aktien an die genannten Personen kann zu einem Preis erfolgen, der unter dem Kurs der Börse liegt, an der die Aktien gehandelt werden, muss aber mindestens zum Nennwert erfolgen.

- [4][7] Bei einer Erhöhung des Aktienkapitals im Rahmen des Kapitalbands gemäss diesem Abschnitt B von Artikel 5 legt der Verwaltungsrat die massgeblichen Bedingungen fest, insbesondere, soweit erforderlich, den Ausgabebetrag, die Art der Einlagen (einschliesslich Barliberierung, Sacheinlage, Verrechnung und Umwandlung von Reserven oder eines Gewinnvortrags in Aktienkapital), den Zeitpunkt der Ausgabe und den Beginn der Dividendenberechtigung fest.

[B.][C.](²) Allgemeine Bestimmungen

- [5][8] Nach einer Nennwertveränderung im Rahmen des Kapitalbands gemäss diesem Artikel 5 sind neue Aktien mit gleichem Nennwert auszugeben wie die bestehenden Aktien.

other persons providing services to the Company

or its subsidiaries entitled to Shares under one or more benefit or incentive plans of the Company. Shares may be issued to any of the aforementioned persons at a price lower than the current market price quoted on the stock exchange on which the Shares are traded, but at least at par value.

- [4][7] In the event of a capital increase within the capital band pursuant to this section B of Article 5, the Board of Directors shall determine the relevant conditions, including, to the extent necessary, the issue price, the type of contribution (including a cash contribution, a contribution in kind, set-off and conversion of reserves or profit carried forward into share capital), the date of issue and the commencement date for dividend entitlement.

[B.][C.](²) General Provisions

- [5][8] After a change of the par value within the capital band pursuant to this Article 5, new Shares shall be issued with the same par value as the existing Shares.

[6][9] Erhöht sich das Aktienkapital aufgrund einer bedingten Kapitalerhöhung nach Artikel 6 dieser Statuten, so erhöhen sich die obere und die untere Grenze des Kapitalbands entsprechend dem Umfang der Erhöhung des Aktienkapitals.	[6][9] If the share capital increases as a result of a conditional capital increase pursuant to Article 6 of these Articles of Association, the upper and lower limits of the capital band shall increase in an amount corresponding to such increase in the share capital.
[7][10] Im Falle einer Ausgabe von neuen Aktien unterliegen Zeichnung und Erwerb der neuen Aktien sowie jede nachfolgende Übertragung der Aktien den Beschränkungen von Artikel 7 und Artikel 9 dieser Statuten.	[7][10] In the event of an issue of new Shares, the subscription and acquisition of the new Shares and any subsequent transfer of the Shares shall be subject to the limitations pursuant to Article 7 and Article 9 of these Articles of Association.

- (1) If both Agenda Items 5 and 14B are approved, (i) this number will be increased to reflect the aggregate authorization from these agenda items, and (ii) the proposed limitations to Article 5 of the Articles of Association on the use of capital authorized under Agenda Item 5 would also be incorporated into Article 5, resulting in a general authorization to issue 159,449,067 shares as described in Agenda Item 5 and a limited authorization to issue 30,000,000 shares as described in Agenda Item 14B.
- (2) If both Agenda Items 5 and 14B are approved, the order of this section will be revised to incorporate the provisions in Annex A, accordingly.

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ANNEX C

Amendments to the Articles of Association to Implement the New Swiss Corporate Law Effective on January 1, 2023

1. Information and documentation available prior to the Annual General Meeting (Article 11 of the Articles of Association)

	Artikel 11		Article 11
Ordentliche Generalversammlung	Die ordentliche Generalversammlung findet alljährlich innerhalb von sechs Monaten nach Schluss des Geschäftsjahres statt. Spätestens zwanzig Kalendertage vor der Versammlung sind der Geschäftsbericht, der Vergütungsbericht, die Revisionsberichte und der Bericht über die nichtfinanziellen Belange nach Artikel 964a OR (soweit und sobald, dass dieser Bericht gemäss anwendbarem Recht zu erstellen ist) den Aktionären zugänglich zu machen. Sofern diese Unterlagen nicht elektronisch zugänglich sind, kann jeder Aktionär verlangen, dass ihm unverzüglich eine Ausfertigung des Geschäftsberichts, des Vergütungsberichts, der Revisionsberichte und des Berichts über die nichtfinanziellen Belange nach Artikel 964a OR ohne Kostenfolge zugesandt wird.	Annual General Meeting	The Annual General Meeting shall be held each year within six months after the close of the fiscal year of the Company. The Annual Report, the Compensation Report, the Auditor's Reports and the report on non-financial matters pursuant to article 964a CO (to the extent and as soon as such report is to be established in accordance with applicable law) shall be made available to the shareholders no later than twenty calendar days prior to the Annual General Meeting. Unless these documents are accessible electronically, each shareholder is entitled to request prompt delivery of a copy of the Annual Report, the Compensation Report, the Auditor's Reports and the report on non-financial matters pursuant to article 964a CO free of charge.

2. Rights of shareholders to request that a general meeting be convened (Article 12 para. 2 of the Articles of Association)

	Artikel 12		Article 12
Ausser-ordentliche Generalversammlung	[...]	Extraordinary General Meetings	[...]
	2 Ausserdem muss der Verwaltungsrat eine ausserordentliche Generalversammlung einberufen, wenn es eine Generalversammlung so beschliesst oder wenn ein oder		2 An Extraordinary General Meeting shall further be convened by the Board of Directors upon resolution of a General Meeting of Shareholders or if so requested by one or more shareholders

mehrere Aktionäre, welche zusammen mindestens 5 % des im Handelsregister eingetragenen Aktienkapitals oder Stimmen vertreten, dies verlangen, unter der Voraussetzung, dass folgende Angaben gemacht werden: (a)(1) die Verhandlungsgegenstände, schriftlich unterzeichnet von dem/den antragstellenden Aktionär(en), (2) die Anträge sowie (3) der Nachweis der erforderlichen Anzahl der im Aktienbuch eingetragenen Aktien; und (b) die weiteren Informationen, die von der Gesellschaft nach den Regeln der U.S. Securities and Exchange Commission (**SEC**) in einem sog. Proxy Statement aufgenommen und veröffentlicht werden müssen.

who, in the aggregate, represent at least 5% of the share capital or votes recorded in the Commercial Register and who submit (a)(1) a request signed by such shareholder(s) that specifies the item(s) to be included on the agenda, (2) the respective proposals of the shareholders and (3) evidence of the required shareholdings recorded in the share register and (b) such other information as would be required to be included in a proxy statement pursuant to the rules of the U.S. Securities and Exchange Commission (**SEC**).

3. Form of general meeting notice (Article 13 para. 1; Article 33 para. 1 and 2 of the Articles of Association)

	Artikel 13		Article 13
Einberufung	<p>1 Die Generalversammlung wird durch den Verwaltungsrat, nötigenfalls die Revisionsstelle, spätestens 20 Kalendertage vor dem Tag der Generalversammlung einberufen. Die Einberufung erfolgt gemäss Artikel 33 Abs. 2 dieser Statuten. Für die Einhaltung der Einberufungsfrist ist der Tag der Veröffentlichung der Einberufung im Publikationsorgan massgeblich, wobei der Tag der Veröffentlichung nicht mitzuzählen ist. Die im Aktienbuch eingetragenen Aktionäre können zudem auf dem ordentlichen Postweg oder in einer anderen Form, die den Nachweis durch Text ermöglicht, über die Generalversammlung informiert werden.</p>	<p>Notice of Shareholders' Meetings</p>	<p>1 Notice of a General Meeting of Shareholders shall be given by the Board of Directors or, if necessary, by the Auditor, no later than twenty calendar days prior to the date of the General Meeting of Shareholders. Notice of the General Meeting of Shareholders shall be given pursuant to Article 33 para. 2 of these Articles of Association. The notice period shall be deemed to have been observed if notice of the General Meeting of Shareholders is published in such official means of publication, it being understood that the date of publication is not to be included for purposes of computing the notice period. Shareholders of record may in addition be informed of the General Meeting of Shareholders by ordinary mail</p>

or in another form that allows proof by text.

2 [...]

2 [...]

Artikel 33

Article 33

Bekannt-
machungen,
Mitteilungen

1 Publikationsorgan der Gesellschaft ist das Schweizerische Handelsamtsblatt. Der Verwaltungsrat kann weitere Publikationsorgane bezeichnen.

Announcements,
Communications

1 The official means of publication of the Company shall be the Swiss Official Gazette of Commerce. The Board of Directors may specify other means of publication.

- 2 Soweit keine individuelle Benachrichtigung durch das Gesetz, börsengesetzliche Bestimmungen oder diese Statuten verlangt wird, gelten sämtliche Mitteilungen an die Aktionäre als gültig erfolgt, wenn sie im Schweizerischen Handelsamtsblatt veröffentlicht worden sind. Einladungen zu Generalversammlungen können stattdessen allein durch Veröffentlichung eines Proxy Statement (oder einer Änderung oder eines Zusatzes dazu) nach den Regeln der SEC erfolgen (wobei Änderungen oder Zusätze zu Einladungen, für die Zwecke dieser Statuten und den Vorschriften des Aktienrechts, auch ausschliesslich durch eine Veröffentlichung im Schweizerischen Handelsamtsblatt erfolgen dürfen). Schriftliche Bekanntmachungen der Gesellschaft an die Aktionäre werden auf dem ordentlichen Postweg oder in einer anderen Form, die den Nachweis durch Text ermöglicht, an die letzte im Aktienbuch verzeichnete Adresse des Aktionärs oder des bevollmächtigten Empfängers geschickt. Finanzinstitute, welche Aktien für wirtschaftlich Berechtigte halten und als solches im Aktienbuch eingetragen sind, gelten als bevollmächtigte Empfänger.
- 2 To the extent that individual notification is not required by law, stock exchange regulations or these Articles of Association, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. Invitations to General Meetings of Shareholders may also be made solely by way of a publication of a proxy statement (or amendments or supplements thereto) pursuant to SEC Regulations (whereby amendments or supplements to invitations, for purposes of these Articles of Associations and corporate law, may also be made exclusively by way of a publication in the Swiss Official Gazette of Commerce). Written communications by the Company to its shareholders shall be sent by ordinary mail or in another form that allows proof by text to the last address of the shareholder or authorized recipient recorded in the share register. Financial institutions holding Shares for beneficial owners and recorded in such capacity in the share register shall be deemed to be authorized recipients.

4. General meeting authorities (Article 19, Article 29a para. 5a of the Articles of Association)

	Artikel 19		Article 19
Befugnisse der Generalversammlung	Der Generalversammlung sind folgende Geschäfte vorbehalten:	Powers of the General Meeting of Shareholders	The following powers shall be vested exclusively in the General Meeting of Shareholders:
	(a) Die Festsetzung und Änderung dieser Statuten;		(a) The adoption and amendment of these Articles of Association;

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| (b) die Wahl der Mitglieder des Verwaltungsrates, des Verwaltungsratspräsidenten, der Mitglieder des Vergütungsausschusses, der Revisionsstelle und des unabhängigen Stimmrechtsvertreters; | (b) the election of the members of the Board of Directors, the Chair of the Board of Directors, the members of the Compensation Committee, the Auditor and the independent proxy; |
| (c) die Genehmigung des Lageberichts und der Konzernrechnung; | (c) the approval of the Management Report and the Consolidated Financial Statements; |
| (d) die Genehmigung der Jahresrechnung sowie die Beschlussfassung über die Verwendung des Bilanzgewinnes, insbesondere die Festsetzung der Dividende; | (d) the approval of the Annual Statutory Financial Statements of the Company and the resolution on the allocation of profit shown on the Annual Statutory Balance Sheet, in particular the determination of any dividend; |
| (e) die Festsetzung der Zwischendividende und die Genehmigung des dafür erforderlichen Zwischenabschlusses; | (e) the determination of interim dividends and the approval of interim financial statements required for such purposes; |
| (f) die Beschlussfassung über die Rückzahlung der gesetzlichen Kapitalreserve; | (f) the resolution regarding the repayment of the statutory capital reserve; |
| (g) die Zusammenlegung von Aktien; | (g) the combination of Shares; |
| (h) die Genehmigung der Vergütung des Verwaltungsrates und der Geschäftsleitung gemäss Artikel 29a dieser Statuten; | (h) the ratification of the compensation of the Board of Directors and the Executive Management Team pursuant to Article 29a of these Articles of Association; |
| (i) die Entlastung der Mitglieder des Verwaltungsrates und der Geschäftsleitung; | (i) the discharge from liability of the members of the Board of Directors and the Executive Management Team; |

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| (j) die Genehmigung eines Zusammenschlusses mit einem Nahestehenden Aktionär (gemäss der Definition dieser Begriffe in Artikel 35 dieser Statuten); | (j) the approval of a Business Combination with an Interested Shareholder (as each such term is defined in Article 35 of these Articles of Association); and |
| (k) die Dekotierung der Beteiligungspapiere der Gesellschaft; | (k) the delisting of the Company's equity securities; |
| (l) die Genehmigung des Berichts über nichtfinanzielle Belange nach Artikel 964c OR; und | (l) the approval of the report on non-financial matters pursuant to article 964c CO; and |
| (m) die Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind oder ihr, vorbehaltlich Artikel 716a OR, durch den Verwaltungsrat vorgelegt werden. | (m) the adoption of resolutions on matters that are reserved to the General Meeting of Shareholders by law, these Articles of Association or, subject to article 716a CO, that are submitted to the General Meeting of Shareholders by the Board of Directors. |

Artikel 29a

Genehmigung der Vergütung des Verwaltungsrates und der Geschäftsleitung durch die Aktionäre

[...]

Shareholder Ratification of Compensation of the Board of Directors and the Executive Management Team

Article 29a

[...]

- 5a Wird variable Vergütung des Verwaltungsrats oder der Geschäftsleitung von den Aktionären an der ordentlichen Generalversammlung prospektiv genehmigt, legt der Verwaltungsrat den Aktionären an der ordentlichen Generalversammlung den Vergütungsbericht gemäss Schweizer Obligationenrecht zur Konsultativabstimmung vor.

[...]

- 5a If variable compensation of the Board of Directors or the Executive Management is approved by shareholders at the Annual General Meeting of Shareholders prospectively, the Board of Directors shall submit the compensation report established under the Swiss Code of Obligations to an advisory vote of shareholders at the Annual General Meeting of Shareholders.

[...]

5. Additional shareholder resolutions subject to a qualified majority (Article 20 of the Articles of Association)

	Artikel 20		Article 20
Besonderes Quorum	<p>1 Ein Beschluss der Generalversammlung, der mindestens zwei Drittel der an der Generalversammlung vertretenen Stimmen und die absolute Mehrheit der an der Generalversammlung vertretenen Aktiennennwerte auf sich vereinigt, ist erforderlich für:</p> <p>(a) Die Ergänzung oder Änderung des Gesellschaftszweckes gemäss Artikel 2 dieser Statuten;</p> <p>(b) die Zusammenlegung von Aktien, die an einer Börse kotiert sind;</p> <p>(c) die Einführung und Abschaffung von Stimmrechtsaktien;</p> <p>(d) die Beschränkung der Übertragbarkeit der Aktien und die Aufhebung einer solche Beschränkung;</p> <p>(e) die Beschränkung der Ausübung des Stimmrechts und die Aufhebung einer solchen Beschränkung;</p> <p>(f) die Einführung oder Änderung eines Kapitalbands oder eines/des bedingten Kapitals;</p> <p>(g) den Wechsel der Währung des Aktienkapitals;</p> <p>(h) die Dekotierung der Beteiligungspapiere der Gesellschaft;</p>	Special Vote	<p>1 The approval of at least two-thirds of the votes and the absolute majority of the par value of Shares, each as represented at a General Meeting of Shareholders, shall be required for resolutions with respect to:</p> <p>(a) The amendment or modification of the purpose of the Company as described in Article 2 of these Articles of Association;</p> <p>(b) the combination of Shares listed on a stock exchange;</p> <p>(c) the creation and the cancelation of shares with privileged voting rights;</p> <p>(d) the restriction on the transferability of Shares and the cancelation of such restriction;</p> <p>(e) the restriction on the exercise of the right to vote and the cancelation of such restriction;</p> <p>(f) the introduction of or the amendment to a capital band or conditional share capital;</p> <p>(g) the change of currency of the share capital;</p> <p>(h) the delisting of the Company's equity securities;</p>

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|---|--|
| <p>(i) die Kapitalerhöhung (i) aus Eigenkapital, (ii) gegen Sacheinlage oder (iii) die Gewährung von besonderen Vorteilen;</p> <p>(j) die Einschränkung oder Aufhebung des Bezugsrechts;</p> <p>(k) die Verlegung des Sitzes der Gesellschaft;</p> <p>(l) die Umwandlung von Namen- in Inhaberaktien und umgekehrt;</p> <p>(m) die Einführung einer statutarischen Schiedsklausel; und</p> <p>(n) die Auflösung der Gesellschaft.</p> | <p>(i) an increase in share capital (i) through the conversion of capital surplus, (ii) through contribution in kind, or (iii) the granting of special privileges;</p> <p>(j) the limitation on or withdrawal of preemptive rights;</p> <p>(k) the relocation of the registered office of the Company;</p> <p>(l) the conversion of registered shares into bearer shares and vice versa;</p> <p>(m) the introduction of an arbitration agreement in the Articles of Association; and</p> <p>(n) the dissolution of the Company.</p> |
| <p>2 [...]</p> | <p>2 [...]</p> |
| <p>3 Zusätzlich zu etwaigen gesetzlich bestehenden Zustimmungserfordernissen ist ein Beschluss der Generalversammlung mit einer Mehrheit, die mindestens die Summe von: (i) zwei Drittel aller stimmberechtigten Aktien; zuzüglich (ii) einer Zahl von stimmberechtigten Aktien, die einem Drittel der von Nahestehenden Aktionären (wie in Artikel 35 dieser Statuten definiert) gehaltenen Aktienstimmen entspricht, auf sich vereinigt, erforderlich für (1) jeden Zusammenschluss der Gesellschaft mit einem Nahestehenden Aktionär innerhalb eines Zeitraumes von drei Jahren, seitdem diese Person zu einem Nahestehenden Aktionär wurde, (2) jede Änderung von Artikel 19(i) dieser Statuten oder (3) jede Änderung von Artikel 20 Abs. 3 dieser</p> | <p>3 In addition to any approval that may be required under applicable law, the approval of a majority at least equal to the sum of: (i) two-thirds of the Shares entitled to vote; plus (ii) a number of Shares entitled to vote that is equal to one-third of the number of Shares held by Interested Shareholders (as defined in Article 35 of these Articles of Association), shall be required for the Company to (1) engage in any Business Combination with an Interested Shareholder for a period of three years following the time that such Person became an Interested Shareholder, (2) amend Article 19(i) of these Articles of Association or (3) amend this Article 20 para. 3 of these Articles of Association (including any of the definitions pertaining thereto as set forth in Article 35 of these Articles of</p> |

Statuten (einschliesslich der dazugehörigen Definitionen in Artikel 35 dieser Statuten). Das im vorangehenden Satz aufgestellte Zustimmungserfordernis ist jedoch nicht anwendbar falls:

(a) [...]

Association); *provided, however*, that the approval requirement in the preceding sentence shall not apply if:

(a) [...]

6. Consideration payable for a non-competition undertaking of an Executive Management Team member (Article 29d para 4 of the Articles of Association)

	Artikel 29d		Article 29d
Verträge betreffend Vergütung mit Mitgliedern des Verwaltungs-rates und der Geschäftsleitung	[...]	Agreements Regarding Compensation With Members of the Board of Directors and the Executive Management Team	[...]
	<p>4 Die Gesellschaft oder von ihr kontrollierte Gesellschaften können mit Mitgliedern der Geschäftsleitung Konkurrenzverbote für die Zeit nach Beendigung des Arbeitsvertrags vereinbaren. Die Dauer eines solchen Konkurrenzverbots für ein Mitglied der Geschäftsleitung darf ein (1) Jahr nicht überschreiten, und die Entschädigung für ein Konkurrenzverbot darf den Durchschnitt der in den vergangenen drei Geschäftsjahren an das betreffende Mitglied der Geschäftsleitung bezahlten Vergütung nicht übersteigen.</p>		<p>4 The Company or companies under its control may enter into non-competition agreements with members of the Executive Management Team for the period after the termination of the employment agreement. The duration of any such non-competition undertaking by an Executive Management Team member shall not exceed one (1) year, and the consideration paid for a non-competition undertaking shall not exceed the average of the compensation paid to the relevant member of the Executive Management Team during the three preceding financial years.</p>

7. “Mandates” outside the group

	Artikel 29e		Article 29e
Mandate ausserhalb des Konzerns	[...]	Mandates Outside the Group	[...]
	<p>4 Als “Mandate” gelten Positionen in vergleichbaren Funktionen bei anderen Unternehmen mit wirtschaftlichem Zweck. Mandate in verschiedenen Rechtseinheiten, die unter einheitlicher Kontrolle oder gleicher wirtschaftlicher Berechtigung stehen, gelten als ein Mandat.</p>		<p>4 “Mandates” shall mean positions in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under joint or common Control or same beneficial ownership shall be deemed one Mandate.</p>

8. Administrative and technical changes to our Articles of Association

	Artikel 14		Article 14
Traktandierung	[...]	Agenda	[...]
	<p>2 Zu nicht gehörig angekündigten Verhandlungsgegenständen können keine Beschlüsse gefasst werden. Hiervon ausgenommen sind jedoch der Beschluss über den in einer Generalversammlung gestellten Antrag auf (i) Einberufung einer ausserordentlichen Generalversammlung sowie (ii) Durchführung einer Sonderuntersuchung gemäss Artikel 697c des Schweizerischen Obligationenrechts (OR).</p>		<p>2 No resolution may be passed at a General Meeting of Shareholders concerning an agenda item in relation to which due notice was not given. Proposals made during a General Meeting of Shareholders to (i) convene an Extraordinary General Meeting or (ii) initiate a special investigation in accordance with article 697c of the Swiss Code of Obligations (CO) are not subject to the due notice requirement set forth herein.</p>
	[...]		[...]

	Artikel 21		Article 21
Präsenzquorum	<p>1 Die nachfolgend aufgeführten Angelegenheiten erfordern zum Zeitpunkt der Konstituierung der Generalversammlung ein Präsenzquorum von Aktionären oder deren Vertretern, welche mindestens zwei Drittel des im Handelsregister eingetragenen Aktienkapitals vertreten, damit die Generalversammlung beschlussfähig ist:</p> <p>(a) Die Beschlussfassung über die Abwahl eines amtierenden Verwaltungsratsmitglieds; und</p> <p>(a) die Beschlussfassung, diesen Artikel 21 oder Artikel 18, 19(i), 20, 22, 23 oder 24 dieser Statuten zu ergänzen, zu ändern, nicht anzuwenden oder ausser Kraft zu setzen.</p> <p>[...]</p>	Presence Quorum	<p>1 The matters set forth below require that a quorum of shareholders of record holding in person or by proxy at least two-thirds of the share capital recorded in the Commercial Register are present at the time when the General Meeting of Shareholders proceeds to business:</p> <p>(a) the adoption of a resolution to remove a serving Director; and</p> <p>(b) the adoption of a resolution to amend, vary, suspend the operation of, disapply or cancel this Article 21 or Articles 18, 19(i), 20, 22, 23 or 24 of these Articles of Association.</p> <p>[...]</p>

Abschnitt 8:*Definitionen***Artikel 35**

[...]

Zusammenschluss 14

Zusammenschluss bedeutet, wenn im Rahmen dieser Statuten in Bezug auf die Gesellschaft oder einen Nahestehenden Aktionär der Gesellschaft verwendet:

- (a) Jede Fusion oder andere Form des Zusammenschlusses der Gesellschaft oder einer direkten oder indirekten Tochtergesellschaft, die zur Mehrheit von der Gesellschaft gehalten wird, mit (1) dem Nahestehenden Aktionär oder (2) einer anderen Kapitalgesellschaft, rechts- oder nicht-rechtsfähigen Personengesellschaft oder einem anderen Rechtsträger, soweit diese Fusion oder andere Form des Zusammenschlusses durch den Nahestehenden Aktionär verursacht worden ist und als Folge dieser Fusion oder anderen Form des Zusammenschlusses Artikel 19(i) und Artikel 20 Abs. 3 dieser Statuten (sowie jede der dazu gehörigen Definition in Artikel 35 dieser Statuten) oder im Wesentlichen gleiche Bestimmungen wie Artikel 19(f), Artikel 20 Abs. 3 (und die dazugehörigen Definitionen in Artikel 35 dieser Statuten auf den überlebenden Rechtsträger) nicht anwendbar sind;

(b) [...]

Business
Combination**Section 8:***Definitions***Article 35**

[...]

14

Business Combination, when used in these Articles of Association in reference to the Company and any Interested Shareholder of the Company, means:

- (a) Any merger or consolidation of the Company or any direct or indirect majority-Owned subsidiary of the Company with (1) the Interested Shareholder or (2) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the Interested Shareholder and as a result of such merger or consolidation Article 19(i) and Article 20 para. 3 of these Articles of Association (including the relevant definitions in Article 35 of these Articles of Association pertaining thereto) or a provision substantially the same as such Article 19(f) and Article 20 para. 3 (including the relevant definitions in Article 35) are not applicable to the surviving entity;

(b) [...]

TRANSOCEAN LTD.

COMPENSATION REPORT

For the years ended December 31, 2022 and 2021

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To the General Meeting of
Transocean Ltd., Steinhausen

Zurich, March 10, 2023

Report of the statutory auditor on the compensation report



Opinion

We have audited the compensation report of Transocean Ltd. (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) on pages CR-3 to CR-6 of the compensation report.

In our opinion, the information on remuneration, loans and advances in the accompanying compensation report complies with Swiss law and Art. 14-16 VegüV.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include pages CR-3 to CR-6 of the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

/s/ Reto Hofer
Licensed audit expert
(Auditor in charge)

/s/ Ralph Petermann
Certified public accountant

Enclosures

- ▶ Compensation report

**TRANSOCEAN LTD.
COMPENSATION REPORT**

GENERAL

Transocean Ltd. (“Transocean,” “we,” “us” or “our”) is the parent company of Transocean Inc. and Transocean Management Services GmbH, our direct wholly owned subsidiaries. Transocean is registered with the commercial register in the canton of Zug, and its shares are listed on the New York Stock Exchange (“NYSE”). We are thus bound by the legal and regulatory requirements of both the United States of America (“U.S.”) and Switzerland.

This Compensation Report reflects the requirements of Articles 13–16 of the Swiss Federal Ordinance Against Excessive Compensation in Public Corporations, and discloses any compensation paid to our members of the Board of Directors and the Executive Management Team for the years ended December 31, 2022 and 2021. For a description of our governance framework relating to executive and director compensation, please refer to our 2023 Proxy Statement under the caption “Executive and Director Compensation Process.” For a description of our directors' compensation principles, please refer to our 2023 Proxy Statement under the captions “Director Compensation Strategy” and “2022 Director Compensation.” For a description of our Executive Management Team compensation principles, please refer to our 2023 Proxy Statement under the caption “Compensation Discussion and Analysis.”

For the years ended December 31, 2022 and 2021, we have presented all compensation amounts in U.S. dollars and Swiss francs using the average annual currency exchange rate of USD 1.00 to CHF 0.95 and CHF 0.91, respectively.

BOARD OF DIRECTORS' COMPENSATION

Our Board of Directors is paid in U.S. dollars and our non-employee directors were eligible to receive compensation as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Payment currency	Swiss franc equivalent	Payment currency	Swiss franc equivalent
Annual retainer - non-employee chair	USD 215,000	CHF 205,089	USD 275,000	CHF 250,608
Annual retainer - non-employee directors	100,000	95,390	100,000	91,130
Grant of restricted share units - non-employee chair	215,000	205,089	275,000	250,608
Grant of restricted share units - non-employee directors	210,000	200,319	210,000	191,373
Additional annual retainer for committee chairs:				
Audit Committee	35,000	33,387	35,000	31,896
Compensation Committee	20,000	19,078	20,000	18,226
Corporate Governance Committee, Finance Committee, and Health, Safety, Environment and Sustainability Committee	10,000	9,539	10,000	9,113

Our directors who are our employees do not receive compensation for board service. With the exception of Jeremy D. Thigpen, all of the directors on our Board of Directors receive compensation as non-employees. In addition to the directors' compensation, we pay or reimburse our directors for travel and incidental expenses incurred for attending board, committee, and shareholder meetings and for other company-related business purposes.

We grant restricted share units to the non-employee chair and each non-employee director annually with an aggregate value presented above based upon the average of the high and low market prices of our shares for each of the 10 trading days preceding the date of grant. The restricted share units vest on the date first to occur of (i) the first anniversary of the date of grant or (ii) the annual general meeting next following the date of grant, subject to continued service through the vesting date. Vesting of the restricted share units is not subject to any performance measures. Each director may elect to receive the shares upon vesting or to defer shares until the director no longer serves on the board.

In the year ended December 31, 2022, the Board of Directors approved, as presented in the above table, a reduction to the value of both the annual retainer and the restricted share unit award for the non-employee Chair of the Board of Directors to \$215,000, equivalent to CHF 205,089, from \$275,000, equivalent to CHF 262,323.

TRANSOCEAN LTD.
COMPENSATION REPORT—continued

We paid our non-employee directors total compensation as follows:

Name and function	Year ended December 31, 2022				Year ended December 31, 2021			
	Total compensation for board membership	Fees earned (a)	Restricted share units (value) (b)	Restricted share units (quantity)	Total compensation for board membership	Fees earned (a)	Restricted share units (value) (b)	Restricted share units (quantity)
Chadwick C. Deaton (c) Chair of the board since May 9, 2019	CHF 426,732	CHF 225,915	CHF 200,817	55,990	CHF 497,418	CHF 252,640	CHF 244,778	71,059
	USD 447,355	USD 236,833	USD 210,522		USD 543,603	USD 275,000	USD 268,603	
Glyn A. Barker (d) Member of the board; member of the compensation committee and chair since May 27, 2021; member of the audit committee and chair until May 27, 2021; member of the finance committee	310,616	114,468	196,147	54,688	301,112	114,188	186,924	54,264
	325,627	120,000	205,627		329,349	124,231	205,118	
Vanessa C.L. Chang (c) Member of the board; member of the audit committee and chair since May 27, 2021; member of the compensation committee since May 27, 2021; member of the corporate governance committee until May 27, 2021	324,925	128,777	196,147	54,688	298,045	111,121	186,924	54,264
	340,627	135,000	205,627		325,887	120,769	205,118	
Frederico F. Curado (e) Member of the board; member of the corporate governance committee; member and chair of the health, safety, environment and sustainability committee	301,077	104,929	196,147	54,688	288,061	101,137	186,924	54,264
	315,627	110,000	205,627		315,118	110,000	205,118	
Vincent J. Intrieri (c) Member of the board; member and chair of the corporate governance committee; member of the finance committee	301,077	104,929	196,147	54,688	288,061	101,137	186,924	54,264
	315,627	110,000	205,627		315,118	110,000	205,118	
Samuel Merksamer (c) Member of the board; member of the finance committee; member of the compensation committee	291,538	95,390	196,147	54,688	278,867	91,943	186,924	54,264
	305,627	100,000	205,627		305,118	100,000	205,118	
Frederik W. Mohn (g) Member of the board; member of the audit committee; member of the health, safety, environment and sustainability committee	291,538	95,390	196,147	54,688	278,867	91,943	186,924	54,264
	305,627	100,000	205,627		305,118	100,000	205,118	
Edward R. Muller (c) Member of the board; member and chair of the finance committee; member of the corporate governance committee since May 27, 2021; member of the audit committee until May 27, 2021	301,077	104,929	196,147	54,688	288,061	101,137	186,924	54,264
	315,627	110,000	205,627		315,118	110,000	205,118	
Margareth Øvrum (h) Member of the board since May 27, 2021; member of the audit committee; member of the health, safety, environment and sustainability committee	291,538	95,390	196,147	54,688	241,719	54,795	186,924	54,264
	305,627	100,000	205,627		264,459	59,341	205,118	
Diane de Saint Victor (f) Member of the board, member of the audit committee, and member of the health, safety, environment and sustainability committee	291,538	95,390	196,147	54,688	278,867	91,943	186,924	54,264
	305,627	100,000	205,627		305,118	100,000	205,118	
Tan Ek Kia (i) Member of the board until May 27, 2021; member and chair of the compensation committee; member of the health, safety, environment and sustainability committee	—	—	—	—	44,473	44,473	—	—
	—	—	—	—	49,000	49,000	—	—
Total (CHF)	CHF 3,131,656	CHF 1,165,507	CHF 1,966,149	548,182	CHF 3,083,551	CHF 1,156,457	CHF 1,927,094	559,435
Total (USD)	USD 3,282,998	USD 1,221,833	USD 2,061,165		USD 3,373,005	USD 1,258,341	USD 2,114,664	

- (a) Fees earned include cash retainer fees.
- (b) For the years ended December 31, 2022 and 2021, we estimated the fair value of restricted share units to be USD 3.76 and USD 3.78, respectively, equivalent to CHF 3.59 and CHF 3.44, respectively, based on the market price of our shares as reported on the NYSE on the grant date.
- (c) Total compensation is not subject to employer-paid social taxes.
- (d) In addition to the total compensation presented above, Mr. Barker received compensation representing employer-paid U.K. social taxes. In the years ended December 31, 2022 and 2021, such employer-paid social taxes were USD 4,140 and USD 17,144, respectively, equivalent to CHF 3,812 and CHF 15,758, respectively. In the year ended December 31, 2022, Mr. Barker also received a cash payment of USD 15,614, equivalent to CHF 14,752, as an adjustment for social taxes that had historically been collected in excess of that due.
- (e) In addition to the total compensation presented above, Mr. Curado received compensation representing employer-paid Swiss social taxes. In the years ended December 31, 2022 and 2021, such employer-paid social taxes were USD 9,955 in each year, equivalent to CHF 9,392 and CHF 9,153, respectively.
- (f) In addition to the total compensation presented above, Ms. de Saint Victor received compensation representing employer-paid Swiss social taxes. In the years ended December 31, 2022 and 2021, such employer-paid social taxes were USD 7,006 and USD 6,981, respectively, equivalent to CHF 6,610 and CHF 6,419, respectively.
- (g) In addition to the total compensation presented above, Mr. Mohn received compensation representing employer-paid Swiss social taxes. In the years ended December 31, 2022 and 2021, such employer-paid social taxes were USD 9,050 in each year, equivalent to CHF 8,538 and CHF 8,321, respectively.
- (h) In addition to the total compensation presented above, Ms. Øvrum received compensation representing employer-paid Swiss social taxes. In the years ended December 31, 2022 and 2021, such employer-paid social taxes were USD 3,442 and USD 4,236, respectively, equivalent to CHF 3,174 and CHF 3,911, respectively. In the year ended December 31, 2022, Ms. Øvrum also received a cash payment of USD 2,167, equivalent to CHF 1,999, as an adjustment for social taxes that had historically been collected in excess of that due.
- (i) In addition to the total compensation presented above, Mr. Tan received compensation representing employer-paid Swiss social taxes. In the year ended December 31, 2021, such employer-paid social taxes were USD 67,867, equivalent to CHF 63,080. Effective May 27, 2021, Mr. Tan retired from the Board of Directors.

TRANSOCEAN LTD.
COMPENSATION REPORT—continued

EXECUTIVE MANAGEMENT TEAM COMPENSATION

Total compensation—We paid the members of our Executive Management Team total compensation as follows:

Name and function	Year ended December 31, 2022			Year ended December 31, 2021		
	Total salary and other non share-based compensation	Total share-based compensation	Total compensation	Total salary and other non share-based compensation	Total share-based compensation	Total compensation
Jeremy D. Thigpen Chief Executive Officer since April 22, 2015	CHF 3,106,917 USD 3,257,069	CHF 8,195,793 USD 8,591,878	CHF 11,302,710 USD 11,848,947	CHF 4,487,402 USD 4,924,176	CHF 6,989,409 USD 7,669,712	CHF 11,476,811 USD 12,593,889
Mark L. Mey Executive Vice President and Chief Financial Officer since May 28, 2015	2,487,421 2,607,633	2,766,078 2,899,757	5,253,499 5,507,390	2,343,286 2,571,365	2,516,186 2,761,095	4,859,472 5,332,460
Keelan I. Adamson President and Chief Operating Officer since February 10, 2022	1,784,124 1,870,347	2,868,524 3,007,154	4,652,648 4,877,501	1,848,422 2,028,336	2,120,118 2,326,476	3,968,540 4,354,812
Total (CHF)	CHF 7,378,462	CHF 13,830,395	CHF 21,208,857	CHF 8,679,110	CHF 11,625,713	CHF 20,304,823
Total (USD)	USD 7,735,049	USD 14,498,789	USD 22,233,838	USD 9,523,877	USD 12,757,284	USD 22,281,161

Salary and other non-share-based compensation—We paid members of our Executive Management Team total salary and other non-share-based compensation, before deductions for employee social insurance and pension contributions, as follows:

Name	Year ended December 31, 2022					
	Base salary	Bonus (a)	Additional compensation (b)	Employer's pension contributions	Retirement and social security benefits (c)	Total salary and other non share-based compensation
Jeremy D. Thigpen	CHF 1,081,267 USD 1,133,523	CHF 1,634,876 USD 1,713,886	CHF — USD —	CHF 255,981 USD 268,352	CHF 134,793 USD 141,307	CHF 3,106,917 USD 3,257,069
Mark L. Mey	724,964 760,000	811,960 851,200	724,964 760,000	148,812 156,004	76,721 80,429	2,487,421 2,607,633
Keelan I. Adamson	747,402 783,523	837,091 877,546	— —	131,885 138,258	67,746 71,020	1,784,124 1,870,347
Total (CHF)	CHF 2,553,633	CHF 3,283,927	CHF 724,964	CHF 536,678	CHF 279,260	CHF 7,378,462
Total (USD)	USD 2,677,046	USD 3,442,632	USD 760,000	USD 562,615	USD 292,756	USD 7,735,049

- (a) Represents the amount earned in the year ended December 31, 2022, but not paid as of December 31, 2022.
(b) Includes a special bonus award, granted under the long-term incentive plan, and represents the amount earned in the year ended December 31, 2022, but not paid as of December 31, 2022.
(c) Includes employer-paid social taxes and costs of health benefits, such as medical and dental insurance. Through December 31, 2022, Mr. Adamson had accrued benefits of USD 355,702, equivalent to CHF 339,304, under the Transocean Ltd. Pension Equalization Plan and USD 397,429, equivalent to CHF 379,108, under the Transocean U.S. Retirement Plan.

Name	Year ended December 31, 2021							
	Base salary	Bonus (a)	Additional compensation (b)	Employer's pension contributions	Retirement and social security benefits (c)	Total salary and other non share-based compensation 2021	Additional compensation from prior year (d)	Total salary and other non share-based compensation
Jeremy D. Thigpen	CHF 911,300 USD 1,000,000	CHF 1,412,515 USD 1,550,000	CHF 1,722,357 USD 1,890,000	CHF 291,616 USD 320,000	CHF 149,614 USD 164,176	CHF 4,487,402 USD 4,924,176	CHF 1,148,238 USD 1,260,000	CHF 5,635,640 USD 6,184,176
Mark L. Mey	692,588 760,000	729,988 801,040	664,338 729,000	172,870 189,696	83,502 91,629	2,343,286 2,571,365	442,892 486,000	2,786,178 3,057,365
Keelan I. Adamson	586,995 644,129	545,905 599,040	516,707 567,000	130,874 143,613	67,941 74,554	1,848,422 2,028,336	344,471 378,000	2,192,893 2,406,336
Total (CHF)	CHF 2,190,883	CHF 2,688,408	CHF 2,903,402	CHF 595,360	CHF 301,057	CHF 8,679,110	CHF 1,935,601	CHF 10,614,711
Total (USD)	USD 2,404,129	USD 2,950,080	USD 3,186,000	USD 653,309	USD 330,359	USD 9,523,877	USD 2,124,000	USD 11,647,877

- (a) Represents the amount earned in the year ended December 31, 2021, but not paid as of December 31, 2021.
(b) Includes performance cash awards, granted under the long-term incentive plan, and represents the amount earned in the year ended December 31, 2021.
(c) Includes employer-paid social taxes and costs of health benefits, such as medical and dental insurance. Through December 31, 2021, Mr. Adamson had accrued benefits of USD 561,729, equivalent to CHF 511,904, under the Transocean Ltd. Pension Equalization Plan and USD 577,107, equivalent to CHF 525,918, under the Transocean U.S. Retirement Plan.
(d) Includes performance cash awards, granted under the long-term incentive plan, and represents the amount earned but not paid in the year ended December 31, 2020.

Share-based compensation—We granted to the members of our Executive Management Team share-based compensation awards under our long-term incentive plans. As presented below, total share-based compensation represents the fair value of grants made to the members of our Executive Management Team and does not represent actual income earned. Any income earned from subsequent vesting of the awards is subject to employer-paid social taxes at the statutory rate prevailing at the time income is earned.

To measure the fair values of granted or modified service-based restricted share units, we use the market price of our shares on the grant date or modification date. To measure the fair values of granted or modified performance share units that are subject to market factors, such as total shareholder return, we use a Monte Carlo simulation model, and we apply assumptions for the expected life, risk-free interest rate, dividend yield, expected volatility using a risk neutral approach and the average price at the performance start date.

TRANSOCEAN LTD.
COMPENSATION REPORT—continued

In the years ended December 31, 2022 and 2021, we granted performance share units to members of our Executive Management Team. Performance share units granted are generally subject to a three-year performance period during which the actual number of units remain uncertain. The number of performance share units presented below represents the targeted number of shares awarded. The actual number of share units earned is determined in the first 60 days following the performance period based on performance thresholds and may range between zero and two shares per performance share unit.

Share-based compensation awards were granted as follows:

Name	Year ended December 31, 2022					
	Restricted share units		Performance share units		Total share-based compensation	
	Units (a)	Fair value	Units (a)(b)	Fair value		
Jeremy D. Thigpen	1,156,069	CHF 3,969,987 USD 4,161,848	1,133,145	CHF 4,225,806 USD 4,430,030	CHF 8,195,793 USD 8,591,878	
Mark L. Mey	390,173	1,339,870 1,404,623	382,436	1,426,208 1,495,134	2,766,078 2,899,757	
Keelan I. Adamson	404,624	1,389,495 1,456,646	396,600	1,479,029 1,550,508	2,868,524 3,007,154	
Total (CHF)		CHF 6,699,352		CHF 7,131,043	CHF 13,830,395	
Total (USD)		USD 7,023,117		USD 7,475,672	USD 14,498,789	

- (a) We granted restricted share units and performance share units to the members of our Executive Management Team on February 10, 2022.
(b) The three-year performance period is January 1, 2022 to December 31, 2024 and is based on our total shareholder return relative to our performance peer group.

Name	Year ended December 31, 2021					
	Restricted share units		Performance share units		Total share-based compensation	
	Units (a)	Fair value	Units (a)(b)	Fair value		
Jeremy D. Thigpen	1,086,957	CHF 3,506,526 USD 3,847,828	1,034,316	CHF 3,482,883 USD 3,821,884	CHF 6,989,409 USD 7,669,712	
Mark L. Mey	391,304	1,262,347 1,385,216	372,354	1,253,839 1,375,879	2,516,186 2,761,095	
Keelan I. Adamson	329,710	1,063,645 1,167,173	313,742	1,056,473 1,159,303	2,120,118 2,326,476	
Total (CHF)		CHF 5,832,518		CHF 5,793,195	CHF 11,625,713	
Total (USD)		USD 6,400,217		USD 6,357,067	USD 12,757,283	

- (a) We granted restricted share units and performance share units to the members of our Executive Management Team on February 12, 2021.
(b) The three-year performance period is January 1, 2021 to December 31, 2023 and is based on our total shareholder return relative to our performance peer group and our performance against established targets for liquidity.

CREDITS AND LOANS GRANTED TO GOVERNING BODIES

In compliance with Article 29f paragraph 1 of our Articles of Association, which our shareholders adopted at the annual general meeting held in May 2014, we did not grant credits or loans to active or former members of our Board of Directors, members of our Executive Management Team or to any other related persons during the two-year period ended December 31, 2022. At December 31, 2022 and 2021, we had no outstanding credits or loans to active or former members of our Board of Directors, members of our Executive Management Team or to any other related persons.

COMPENSATION TO FORMER MEMBERS OF OUR BOARD OF DIRECTORS OR OUR EXECUTIVE MANAGEMENT TEAM OR TO RELATED PERSONS

During the year ended December 31, 2022, we did not pay or grant any compensation to former members of our Board of Directors or our Executive Management Team or to related persons of active or former members of our Board of Directors or our Executive Management Team. During the year ended December 31, 2021, we paid a former non-employee member of our Board of Directors USD 49,000, equivalent to CHF 44,654, representing 2021 prorated fees prior to retirement, and these amounts are included in the above total compensation table.

TRANSOCEAN LTD.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022, 2021 and 2020

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TRANSOCEAN LTD. AND SUBSIDIARIES
INDEX TO ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Item</u>		<u>Page</u>
PART I		
Item 1.	Business	AR-2
Item 1A.	Risk Factors	AR-8
Item 1B.	Unresolved Staff Comments	AR-21
Item 2.	Properties	AR-21
Item 3.	Legal Proceedings	AR-21
Item 4.	Mine Safety Disclosures	AR-22
PART II		
Item 5.	Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities	AR-24
Item 6.	Reserved	AR-25
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	AR-26
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	AR-39
Item 8.	Financial Statements and Supplementary Data	AR-40
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	AR-77
Item 9A.	Controls and Procedures	AR-77
Item 9B.	Other Information	AR-77
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	AR-77
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	AR-78
Item 11.	Executive Compensation	AR-78
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters	AR-78
Item 13.	Certain Relationships and Related Transactions, and Director Independence	AR-78
Item 14.	Principal Accountant Fees and Services	AR-78
PART IV		
Item 15.	Exhibits and Financial Statement Schedules	AR-79

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FORWARD-LOOKING INFORMATION

The statements included in this annual report regarding future financial performance and results of operations and other statements that are not historical facts are forward-looking statements within the meaning of Section 27A of the United States (“U.S.”) Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Forward-looking statements in this annual report include, but are not limited to, statements about the following subjects:

- the effect, impact, potential duration, the scale of any economic disruptions or other implications of COVID-19, including virus variants;
- the effect of any disputes and actions with respect to production levels by, among or between major oil and gas producing countries and any expectations we may have with respect thereto;
- our results of operations, our cash flow from operations, our revenue efficiency and other performance indicators and optimization of rig-based spending;
- the offshore drilling market, including the effects of variations in commodity prices, supply and demand, utilization rates, dayrates, customer drilling programs, stacking and reactivation of rigs, effects of new rigs on the market, the impact of changes to regulations in jurisdictions in which we operate and changes in the global economy or market outlook for our industry, our rig classes or the various geographies in which we operate;
- customer drilling contracts, including contract backlog, force majeure provisions, contract awards, commencements, extensions, terminations, renegotiations, contract option exercises, contract revenues, early termination fees, indemnity provisions and rig mobilizations;
- the addition of renewable or other energy alternatives to meet local, regional or global demand for energy, the commitment, by us or our customers, to reduce greenhouse gas emissions or intensity thereof;
- liquidity, including availability under our bank credit agreement, and adequacy of cash flows for our obligations;
- debt levels, including interest rates, credit ratings and our evaluation or decisions with respect to any potential liability management transactions or strategic alternatives intended to prudently manage our liquidity, debt maturities and other aspects of our capital structure and any litigation, alleged defaults and discussions with creditors related thereto;
- newbuild, upgrade, shipyard and other capital projects, including the level of expected capital expenditures and the timing and cost of completing capital projects, delivery and operating commencement dates, relinquishment or abandonment, expected downtime and lost revenues;
- the cost and timing of acquisitions and the proceeds and timing of dispositions;
- tax matters, including our effective tax rate, changes in tax laws, treaties and regulations, tax assessments, tax incentive programs and liabilities for tax issues in the tax jurisdictions in which we operate or have a taxable presence;
- legal and regulatory matters, including results and effects of current or potential legal proceedings and governmental audits and assessments, outcomes and effects of internal and governmental investigations, customs and environmental matters;
- insurance matters, including adequacy of insurance, renewal of insurance, insurance proceeds and cash investments of our wholly owned captive insurance company;
- effects of accounting changes and adoption of accounting policies; and
- investment in recruitment, retention and personnel development initiatives, the timing of, and other matters concerning, severance payments and benefit payments.

Forward-looking statements in this annual report are identifiable by use of the following words and other similar expressions:

- anticipates ▪ budgets ▪ estimates ▪ forecasts ▪ may ▪ plans ▪ projects ▪ should
- believes ▪ could ▪ expects ▪ intends ▪ might ▪ predicts ▪ scheduled

Such statements are subject to numerous risks, uncertainties and assumptions, including, but not limited to:

- those described under “Item 1A. Risk Factors” in this annual report;
- the effects of public health threats, pandemics and epidemics, such as the outbreak of COVID-19, and the adverse impact thereof on our business, financial condition and results of operations, including, but not limited to, our growth, operating costs, supply chain, labor availability, logistical capabilities, customer demand for our services and industry demand generally, our liquidity, the price of our securities and trading markets with respect thereto, our ability to access capital markets, and the global economy and financial markets generally;
- the effects of actions by, or disputes among or between, members of the Organization of Petroleum Exporting Countries and other oil and natural gas producing countries with respect to production levels or other matters related to the prices of oil and natural gas;
- the adequacy of and access to our sources of liquidity;
- our inability to renew drilling contracts at comparable, or improved, dayrates and to obtain drilling contracts for our rigs that do not have contracts;
- operational performance;
- the cancellation of drilling contracts currently included in our reported contract backlog;
- losses on impairment of long-lived assets;
- shipyard, construction and other delays;
- the results of meetings of our shareholders;
- changes in political, social and economic conditions;
- the effect and results of litigation, regulatory matters, settlements, audits, assessments and contingencies; and
- other factors discussed in this annual report and in our filings with the U.S. Securities and Exchange Commission (“SEC”), which are available free of charge on the SEC website at www.sec.gov.

The foregoing risks and uncertainties are beyond our ability to control, and in many cases, we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. We expressly disclaim any obligations or undertakings to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations or beliefs with regard to the statement or any change in events, conditions or circumstances on which any forward-looking statement is based, except as required by law.

ITEM 1. BUSINESS**OVERVIEW**

Transocean Ltd. (together with its subsidiaries and predecessors, unless the context requires otherwise, “Transocean,” the “Company,” “we,” “us” or “our”) is a leading international provider of offshore contract drilling services for oil and gas wells. As of February 14, 2023, we owned or had partial ownership interests in and operated 37 mobile offshore drilling units, consisting of 27 ultra-deepwater floaters and 10 harsh environment floaters. Additionally, as of February 14, 2023, we were constructing one ultra-deepwater drillship and held a noncontrolling ownership interest in a company that is constructing one ultra-deepwater drillship.

We provide, as our primary business, contract drilling services in a single operating segment, which involves contracting our mobile offshore drilling rigs, related equipment and work crews to drill oil and gas wells. We specialize in technically demanding regions of the global offshore drilling business with a particular focus on ultra-deepwater and harsh environment drilling services. Our drilling fleet is one of the most versatile fleets in the world, consisting of drillships and semisubmersible floaters used in support of offshore drilling activities and offshore support services on a worldwide basis.

Transocean Ltd. is a Swiss corporation with its registered office in Steinhausen, Canton of Zug and with principal executive offices located at Turmstrasse 30, 6312 Steinhausen, Switzerland. Our telephone number at that address is +41 41 749-0500. Our shares are listed on the New York Stock Exchange under the ticker symbol “RIG.” For information about the revenues, operating income, assets and other information related to our business, our segments and the geographic areas in which we operate, see “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Part II. Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note 1—Business, Note 4—Revenues and Note 6—Long-Lived Assets.”

DRILLING FLEET

Overview—We provide contract drilling services using our fleet of mobile offshore drilling units, including both drillships and semisubmersibles, broadly referred to as floaters. Floaters are designed to operate in locations away from port for extended periods of time and have living quarters for the crews, a helicopter landing deck and storage space for drill pipe, riser and drilling supplies. Our drilling units and related equipment are suitable for both exploration and development, and we engage in both types of activities.

Drillships are floating vessels that are shaped like conventional ships, generally self-propelled and considered to be the most mobile of the major rig types. Drillships typically have greater deck load and storage capacity than semisubmersible rigs, which provides logistical and resupply efficiency benefits for customers. Drillships are generally better suited to operations in calmer sea conditions and typically do not operate in areas considered to be harsh environments. Our high-specification drillships are equipped with dynamic positioning thruster systems, which allows them to maintain position without anchors through the use of onboard propulsion and station-keeping systems. We have 22 ultra-deepwater drillships that are, and two ultra-deepwater drillships under construction that will be, equipped with our patented dual-activity technology. Dual-activity technology employs structures, equipment and techniques using two drilling stations within a dual derrick to allow these drillships to perform simultaneous drilling tasks in a parallel, rather than a sequential manner, which reduces critical path activity and improves efficiency in both exploration and development drilling. In addition, our newbuild drillships under construction will be equipped with dynamic positioning thruster systems and industry-leading hoisting capacity.

Semisubmersibles are floating vessels that can be partially submerged by means of a water ballast system such that the lower column sections and pontoons are below the water surface during drilling operations. Semisubmersibles are known for stability, making them well suited for operating in rough sea conditions. Semisubmersible floaters are capable of maintaining their position over a well either through dynamic positioning or the use of mooring systems. Although most semisubmersible rigs are relocated with the assistance of tugs, some units are self-propelled and move between locations under their own power when afloat on pontoons. Four of our 13 semisubmersibles are equipped with dual-activity technology and also have mooring capability. Two of these four dual-activity units are custom-designed, high-capacity semisubmersible drilling rigs, equipped for year-round operations in harsh environments, such as those of the Norwegian continental shelf and sub-Arctic waters.

Our floater fleet consists of ultra-deepwater floaters and harsh environment floaters that are designed with high-specification capabilities to operate in the technically demanding regions of the global offshore drilling business. Ultra-deepwater floaters are equipped with high-pressure mud pumps and are capable of drilling in water depths of 4,500 feet or greater. Harsh environment floaters are capable of drilling in harsh environments in water depths between 1,500 and 10,000 feet and have greater displacement, which offers larger variable load capacity, more useable deck space and better motion characteristics.

Fleet status—Depending on market conditions, we may idle or stack our non-contracted rigs. An *idle* rig is between drilling contracts, readily available for operations, and operating costs are typically at or near normal operating levels. A *stacked* rig typically has reduced operating and maintenance costs, is staffed by a reduced crew or has no crew and is (a) preparing for an extended period of inactivity, (b) expected to continue to be inactive for an extended period, or (c) completing a period of extended inactivity. Stacked rigs will continue to incur operating costs at or above normal operating levels for approximately 30 days following initiation of stacking. Some idle rigs and all stacked rigs require additional costs to return to service. The actual cost to return to service, which in many instances could be

significant and could fluctuate over time, depends upon various factors, including the availability and cost of shipyard facilities, the cost of equipment and materials, the extent of repairs and maintenance that may ultimately be required, the length of time a rig has spent in stacking mode and time and cost of assembling and training crew. We consider these factors, together with market conditions, length of contract, dayrate and other contract terms, when deciding whether to return a stacked rig to service. We may not return some stacked rigs to work for drilling services.

Drilling units—The following tables, presented as of February 9, 2023, provide certain specifications for our 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 in shipyard with a follow-on contract. The dates provided represent the expected time of completion, the year placed into service, and, if applicable, the year of the most recent upgrade. As of February 9, 2023, we owned all of the drilling rigs in our fleet noted in the tables below, except for the following: (1) the ultra-deepwater floater *Petrobras 10000*, which is subject to a finance lease through August 2029, (2) the harsh environment floater *Transocean Norge*, which is owned through our 33 percent noncontrolling ownership interest in Orion Holdings (Cayman) Limited (together with its subsidiary, "Orion"), and (3) the newbuild ultra-deepwater drillship under construction, to be named *Deepwater Aquila*, which is owned through our noncontrolling ownership interest in Liquila Ventures Ltd. (together with its subsidiaries, "Liquila").

Rig category and name	Specifications	Type	Year entered service / upgraded	Water depth capacity (in feet)	Drilling depth capacity (in feet)	Contracted location or standby status
Ultra-deepwater floaters (27)						
Deepwater Atlas	(a) (b) (c) (d) (f)	Drillship	2022	12,000	40,000	U.S. Gulf
Deepwater Poseidon	(a) (b) (c) (e) (g)	Drillship	2018	12,000	40,000	U.S. Gulf
Deepwater Pontus	(a) (b) (c) (e) (g)	Drillship	2017	12,000	40,000	U.S. Gulf
Deepwater Conqueror	(a) (b) (c) (e) (g)	Drillship	2016	12,000	40,000	U.S. Gulf
Deepwater Proteus	(a) (b) (c) (e) (g)	Drillship	2016	12,000	40,000	U.S. Gulf
Deepwater Thalassa	(a) (b) (c) (e) (g)	Drillship	2016	12,000	40,000	U.S. Gulf
Ocean Rig Apollo	(a) (b)	Drillship	2015	12,000	40,000	Stacked
Deepwater Athena	(a) (b)	Drillship	2014	12,000	40,000	Stacked
Deepwater Asgard	(a) (b) (c) (g)	Drillship	2014	12,000	40,000	U.S. Gulf
Deepwater Invictus	(a) (b) (c) (g)	Drillship	2014	12,000	40,000	U.S. Gulf
Deepwater Skyros	(a) (b)	Drillship	2013	12,000	40,000	Angola
Deepwater Mylos	(a) (b) (c)	Drillship	2013	12,000	40,000	Stacked
Deepwater Champion	(a) (b)	Drillship	2011	12,000	40,000	Stacked
Deepwater Corcovado	(a) (b)	Drillship	2011	10,000	35,000	Brazil
Deepwater Mykonos	(a) (b)	Drillship	2011	10,000	35,000	Brazil
Deepwater Orion	(a) (b)	Drillship	2011	10,000	35,000	Brazil
Discoverer India	(a) (b)	Drillship	2010	12,000	40,000	Stacked
Discoverer Luanda	(a) (b)	Drillship	2010	7,500	40,000	Stacked
Dhirubhai Deepwater KG2	(a)	Drillship	2010	12,000	35,000	Brazil
Discoverer Inspiration	(a) (b) (c)	Drillship	2010	12,000	40,000	U.S. Gulf
Discoverer Americas	(a) (b)	Drillship	2009	12,000	40,000	Stacked
Development Driller III	(a) (b) (h)	Semisubmersible	2009	7,500	37,500	Suriname
Petrobras 10000	(a) (b)	Drillship	2009	12,000	37,500	Brazil
Discoverer Clear Leader	(a) (b) (c)	Drillship	2009	12,000	40,000	Stacked
Dhirubhai Deepwater KG1	(a)	Drillship	2009	12,000	35,000	India
GSF Development Driller I	(a) (b) (h)	Semisubmersible	2005	7,500	37,500	Stacked
Deepwater Nautilus	(h)	Semisubmersible	2000	8,000	30,000	Stacked

Harsh environment floaters (10)

Transocean Norge	(a) (h) (i)	Semisubmersible	2019	10,000	40,000	Norwegian N. Sea
Transocean Enabler	(a) (h) (i)	Semisubmersible	2016	1,640	28,000	Norwegian N. Sea
Transocean Encourage	(a) (h) (i)	Semisubmersible	2016	1,640	28,000	Norwegian N. Sea
Transocean Endurance	(a) (h) (i)	Semisubmersible	2015	1,640	28,000	Norwegian N. Sea
Transocean Equinox	(a) (h) (i)	Semisubmersible	2015	1,640	28,000	Idle
Transocean Spitsbergen	(a) (h) (i) (j)	Semisubmersible	2010	10,000	30,000	Norwegian N. Sea
Transocean Barents	(a) (h) (j)	Semisubmersible	2009	10,000	30,000	U.K. N. Sea
Henry Goodrich	(h)	Semisubmersible	1985/2007	5,000	30,000	Stacked
Transocean Leader	(h)	Semisubmersible	1987/1997	4,500	25,000	Stacked
Paul B. Loyd, Jr.	(h)	Semisubmersible	1990	2,000	25,000	U.K. N. Sea

- (a) Dynamically positioned.
- (b) Patented dual activity.
- (c) Two blowout preventers.
- (d) Equipped with two 15,000 psi blowout preventers, one of which is scheduled to be upgraded to a 20,000 psi blowout preventer.
- (e) Designed to accommodate a future upgrade to 20,000 psi blowout preventer(s).
- (f) Main hoisting capacity of 1,700 short tons.
- (g) Main hoisting capacity of 1,400 short tons.
- (h) Moored.
- (i) Automated drilling control.
- (j) Dual activity.

Rig category and name	Specifications	Type	Expected completion	Water depth capacity (in feet)	Drilling depth capacity (in feet)	Contracted location
Rigs under construction (2)						
Ultra-deepwater floaters						
Deepwater Titan	(a) (b) (c) (d)	Drillship	2Q2023	12,000	40,000	U.S. Gulf
Deepwater Aquila	(a) (b) (e)	Drillship	3Q2023	10,000	40,000	TBD

- (a) To be dynamically positioned.
- (b) To be equipped with our patented dual activity.
- (c) To be equipped with two 20,000 psi blowout preventers.
- (d) To be equipped with main hoisting capacity of 1,700 short tons.
- (e) To be equipped with main hoisting capacity of 1,400 short tons.

DRILLING CONTRACTS

Our offshore drilling services contracts are individually negotiated and vary in their terms and conditions. We obtain most of our drilling contracts through bidding processes in competition against other drilling services contractors and through direct negotiations with operators. Drilling contracts generally provide for payment on a dayrate basis, typically with higher rates for periods when drilling operations are optimized and lower or zero rates for periods during which the drilling unit is mobilized or when drilling operations are interrupted, restricted by equipment breakdowns, adverse environmental conditions or otherwise. A dayrate drilling contract generally extends over a period of time either covering the drilling of a single well or group of wells or covering a stated term. At December 31, 2022, our contract backlog was approximately \$8.34 billion, representing an increase of 26 percent and 4 percent, respectively, compared to the contract backlog at December 31, 2021 and 2020, which was \$6.60 billion and \$8.06 billion, respectively. See “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Performance and Other Key Indicators.”

Certain of our drilling contracts may be cancelable for the convenience of the customer, typically with the payment of an early termination payment. Such payments, however, may not fully compensate us for the loss of the contract. Drilling contracts also customarily provide for either automatic termination or termination at the option of the customer, typically without payment of any termination fee, under various circumstances such as non-performance, in the event of extended downtime or impaired performance due to equipment or operational issues or extended downtime due to force majeure events. Many of these events are beyond our control. The contract term in some instances may be extended by the customer exercising options for the drilling of additional wells or for additional periods of time. Our contracts also typically include a provision that allows the customer to extend the contract to finish drilling a well-in-progress. During periods of depressed market conditions, our customers may seek to renegotiate drilling contracts or options to reduce the term of their obligations or the average dayrate through term extensions or may seek to early terminate or repudiate their contracts. Suspension of drilling contracts will result in the reduction in or loss of dayrate for the period of the suspension. If customers cancel some of our contracts and we are unable to secure new contracts on a timely basis and on substantially similar or more favorable terms, if some of our contracts are suspended for an extended period of time or if a number of our contracts are renegotiated on less favorable terms, our consolidated financial position, results of operations or cash flows may be adversely affected. See “Item 1A. Risk Factors—Risks related to our business—Our drilling contracts may be terminated due to a number of events, and, during depressed market conditions, our customers may seek to repudiate or renegotiate their contracts.”

Under dayrate drilling contracts, consistent with standard industry practice, our customers, as the operators, generally assume, and grant indemnity for, subsurface and well control risks, and their consequential damages. Under all of our current drilling contracts, our customers indemnify us for pollution damages in connection with reservoir fluids stemming from operations under the contract, and we indemnify our customers for pollution that originates above the surface of the water from the rig from substances in our control, such as diesel used onboard the rig or other fluids stored onboard the rig. Also, our customers indemnify us for consequential damages they incur, damage to the well or reservoir, loss of subsurface oil and gas and the cost of bringing the well under control. However, because our drilling contracts are individually negotiated, the degree of indemnification we receive from our customers for the risks discussed above may vary from contract to contract based on market conditions, customer requirements existing when the contract was negotiated or other factors. In some instances, we have contractually agreed upon certain limits to our indemnification rights and can be responsible for certain damages up to a specified maximum dollar amount. The nature of our liability and the prevailing market conditions, among other factors, can influence such contractual terms. Notwithstanding a contractual indemnity from a customer, there can be no assurance that our customers will be financially able to indemnify us or will otherwise honor their contractual indemnity obligations.

The interpretation and enforceability of a contractual indemnity depends upon the specific facts and circumstances involved, as governed by applicable laws, and may ultimately need to be decided by a court or other proceeding, which would need to consider the specific contract language, the facts and applicable laws. Applicable laws often consider contractual indemnity for criminal fines and penalties to be against public policy. Many courts also restrict indemnification for criminal fines and penalties. The inability or other failure of our customers to fulfill their indemnification obligations, or the unenforceability of all of our contractual protections could have a material adverse effect on our consolidated financial position, results of operations or cash flows. See “Item 1A. Risk Factors—Risks related to our business—Our business involves numerous operating hazards, and our insurance and indemnities from our customers may not be adequate to cover potential losses from our operations.”

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 can be moved according to prevailing market conditions. We may mobilize our drilling rigs between regions for a variety of reasons, including to respond to customer contracting requirements or to capture observed market demand. Consequently, we cannot predict the future percentage of our revenues that will be derived from particular geographic areas. As of February 9, 2023, the drilling units in our fleet, including stacked and idle rigs, but excluding rigs under construction, were located in the U.S. Gulf of Mexico (nine units), Greece (seven units), the Norwegian North Sea (six units), Brazil (five units), Malaysia (three units), the United Kingdom (the “U.K.”) North Sea (three units), Angola (one unit), Canada (one unit), India (one unit) and Suriname (one unit).

We categorize the sectors of the floater market in which we operate as follows: (1) ultra-deepwater and deepwater, (2) harsh environment and (3) midwater. We typically employ our ultra-deepwater floaters to service the ultra-deepwater and deepwater sector, and we employ our harsh environment floaters to service all three sectors. We generally view the ultra-deepwater and deepwater market sector as water depths beginning at 4,500 feet and extending to the maximum water depths in which rigs are capable of drilling, which is currently up to 12,000 feet. The midwater market sector includes water depths from approximately 300 feet to approximately 4,500 feet. The harsh environment market sector includes regions that are more challenged by lower temperatures, harsher weather conditions and water currents.

The market for offshore drilling rigs and related services reflects our customers’ demand for equipment for drilling exploration, appraisal and development wells and for performing maintenance on existing production wells. Activity levels of energy companies, including integrated energy companies, independent energy companies and, to a lesser extent, national energy companies are largely driven by the worldwide demand for energy, including crude oil and natural gas. Worldwide energy supply and demand drives oil and natural gas prices, which, in turn, impact energy companies’ ability to fund investments in exploration, development and production activities.

See “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Outlook.”

CUSTOMERS

We provide our offshore drilling services to most of the leading integrated energy companies or their affiliates, as well as for many government-owned or government-controlled energy companies and other independent energy companies. For the year ended December 31, 2022, our most significant customers were Shell plc (together with its affiliates, “Shell”), Equinor ASA (together with its affiliates, “Equinor”) and Petróleo Brasileiro S.A. (together with its affiliates, “Petrobras”), representing approximately 33 percent, 25 percent and 11 percent, respectively, of our consolidated operating revenues. No other customers accounted for 10 percent or more of our consolidated operating revenues in the year ended December 31, 2022. Additionally, as of February 9, 2023, the customers with the most significant aggregate amount of contract backlog associated with our drilling contracts were Shell, Petrobras and Chevron Corporation (together with its affiliates, “Chevron”), representing approximately 33 percent, 31 percent and 14 percent, respectively, of our total contract backlog. See “Item 1A. Risk Factors—Risks related to our business—We rely heavily on a relatively small number of customers and the loss of a significant customer or a dispute that leads to the loss of a customer could have an adverse effect on our business.”

HUMAN CAPITAL RESOURCES

Worldwide workforce—As of December 31, 2022, we had a global workforce of approximately 5,340 individuals, including approximately 300 contractors, representing 57 nationalities. At December 31, 2022, our global workforce was geographically distributed in 21 countries across five continents as follows: 38 percent in North America, 30 percent in Europe, 19 percent in South America, 8 percent in Asia and 5 percent in Africa.

FIRST Shared Values and corporate culture—Our FIRST Shared Values serve as the foundation for our corporate culture and guide us to act ethically and responsibly as we strive to deliver value for our stakeholders and to maintain a safe and respectful work environment for our people. Our Shared Values are as follows:

- **Focused.** We will consistently exceed the expectations of customers, shareholders and employees.
- **Innovative.** We will continuously advance our position as technical leaders, and relentlessly pursue improvement in all that we do.
- **Reliable.** We will execute flawlessly by ensuring that our equipment, processes and systems always perform as and when intended, and that our people are properly trained and motivated.
- **Safe.** Above all else, we will protect each other, the environment and our assets. We will conduct our operations in an incident-free environment, all the time, everywhere.
- **Trusted.** We will always act with integrity and professionalism, honor our commitments, comply with laws and regulations, respect local cultures, and be fiscally responsible.

Code of Integrity and Human Rights—We maintain a Code of Integrity and Human Rights Policy that applies to all our board members, executives, employees and business partners, including contractors, suppliers, vendors, investees and joint venture partners. We demonstrate our respect of human rights by maintaining a healthy and safe work environment, observing fair employment practices and providing competitive employment terms. Practices such as modern slavery, child labor, forced or indentured servitude, and other human rights abuses are strictly prohibited.

Labor rights—We respect the labor rights of all individuals in our workforce, including the right to collective bargaining. As of December 31, 2022, approximately 43 percent of our total workforce, working primarily in Norway, Brazil and the U.K., are represented by, and some of our contracted labor work is subject to, collective bargaining agreements, substantially all of which are subject to annual salary negotiation. Negotiations over annual salary or other labor matters could result in higher personnel or other costs or increased operational restrictions or disruptions. The outcome of any such negotiation generally affects the market for all offshore employees, not only union members. A failure to reach an agreement on certain key issues could result in strikes, lockouts or other work stoppages.

Attraction, development and retention—We aim to strategically cultivate a best-in-class workforce to offer the innovation, local knowledge and experience required of the world’s premier offshore drilling contractor. We seek to maintain our competitive advantage while benefitting our local communities by offering regionally competitive compensation and benefits packages, a technically challenging work environment, global opportunities, and rotational development programs. We continually assess and adapt our offerings and our policies, based on evolving social and technological practices, to provide a modern work environment, which is essential to attract and retain top talent, and a respectful and inclusive work environment in which our global workforce can thrive. Our focus on the quality of our workforce is designed to maximize the quality of our work performance and ultimately, the value we deliver to our stakeholders.

Training—We invest in our workers by providing them with the transferrable skill sets essential to advancing their professional development. To optimize the competitive position of our business, we maintain a rigorous competency-based training program. Our internal training board maintains and regularly updates our training matrix to meet or exceed industry standards, and it oversees our competency assurance management system, which is accredited by the Offshore Petroleum Industry Training Organization. We provide various offshore training formats designed to encompass all learning styles through on-the-job, e-learning, customer-specific training, certifications, and leadership and licensing programs. Setting us apart from our competitors, we also offer unique simulation-based education, augmented by digital twin modeling, enabling our workforce to more accurately visualize equipment performance and target efficiencies. We clearly articulate to our workforce the certifications, skills and competencies needed for each role, and workers are required to successfully complete the relevant training and attain necessary certifications prior to taking on new roles.

Wellness and benefits—We offer our workforce regionally competitive medical and financial benefits, tailored to our workforce demographics. We design our wellness and benefits strategy under four pillars consisting of physical well-being, financial well-being, emotional well-being and social well-being, including our globally available employee assistance program.

Safety—Our safety vision is to conduct our operations in an incident-free workplace, all the time, everywhere. As a socially responsible company, we prioritize the protection of everyone aboard our rigs and in our facilities, the environment and our property at all work locations and during all operations. We require compliance with all local regulations and a comprehensive set of internal policies and procedures that govern our operations. With regular competency and effectiveness assessments, our highly trained crews are equipped to protect our operational integrity with the process-driven management of hazards to prevent and mitigate major accidents. We measure our safety performance in terms of widely accepted ratios with the use of industry standards, including (a) the total recordable incident rate (“TRIR”), which represents the number of recordable work-related injuries or illnesses for every 200,000 hours worked, and (b) the lost time incident rate (“LTIR”), which measures the number of incidents that result in lost time due to work-related injuries or illnesses for every 200,000 hours worked. In the years ended December 31, 2022 and 2021, our TRIR was 0.21 and 0.26, respectively, and our LTIR was 0.00 and 0.02, respectively.

ENVIRONMENTAL RESPONSIBILITY

We strive to deliver services in a manner that both minimizes the impact our business has on the environment and supports the interests of our stakeholders. We continuously seek new ways to advance our commitment to safely performing operations while simultaneously safeguarding the environment. We maintain a global Environmental Management System (“EMS”) standard that is applied to our rigs, offices and facilities. The EMS is aligned to ISO 14001 and provides a framework to ensure that our worldwide operations are managed consistently and continuously in an environmentally responsible manner. We regularly assess the environmental impact of operations, focusing on the reduction of greenhouse gas emissions, operational discharges, water use and waste. Accordingly, we intend to reduce Scope 1 and Scope 2 greenhouse gas emissions intensity by 40 percent from 2019 levels by 2030. Achieving these targets will require investments over time that result in the development and implementation of new technologies, reduced fuel consumption and other initiatives that enable us to optimize power management capabilities.

TECHNOLOGICAL INNOVATION

We have a long history of technological innovation, including the first dynamically positioned drillship, the first rig to drill year-round in the North Sea, the first semisubmersible rig for year-round sub-Arctic operations, the first 10,000-ft. water depth rated ultra-deepwater drillship and numerous water depth world records over the past several decades. Twenty-two drillships and two semisubmersibles in our existing fleet are, and our two drillships under construction will be, equipped with our patented dual-activity technology, which allows our rigs to perform simultaneous drilling tasks in a parallel rather than sequential manner, reducing well construction critical path activities and, thereby, improving efficiency in both exploration and development drilling.

We develop and deploy industry-leading technology in the pursuit of delivering safer, more efficient and environmentally responsible drilling services. In addition to our patented dual-activity drilling technology, one of our drillships has, and one drillship under

construction will have, industry-leading 3.4 million-pound hoisting load capability. Six of our drillships and one of our drillships under construction include hybrid energy storage systems for enhanced drill floor equipment reliability, fuel and emissions savings as well as advanced generator protection for power plant reliability. Eleven drillships in our existing fleet are, and one of our drillships under construction will be, outfitted with dual blowout preventers and triple liquid mud systems. Six drillships in our existing fleet are designed to accept 20,000 psi blowout preventers in the future, and one of our drillships under construction will be equipped with dual 20,000 psi blowout preventers and related equipment. We also continue to develop and invest in technologies designed to optimize our performance, deliver ever improving operational integrity and reduce our carbon emissions.

Seven of our harsh environment semisubmersibles are designed and constructed specifically to provide highly efficient performance in harsh environments. We have installed automated drilling control systems on six harsh environment floaters, which materially improves our ability to safely and efficiently deliver wells to our customers.

We employ a data-driven approach by deploying technology, augmented by the size of our fleet, to expand our knowledge framework for sustainable process optimization. In 2020, we deployed our smart equipment analytics tool, which delivers real-time data feeds from equipment to monitor equipment health, inferred emissions and energy consumption while identifying performance trends that allow us to systematically optimize equipment maintenance and achieve higher levels of reliability, operational efficiency and sustainability.

Driven by our continued focus on safety, we developed and, on five of our drilling units, deployed our patented HaloGuardSM system, which alarms, notifies and, if required, halts equipment to avoid injury to personnel who move into danger zones. We recently deployed the first unit of Enhanced Drilling's EC-Monitor system to an offshore installation, enabling highly accurate understanding of well fluid dynamics and improving the efficiency and accuracy of flow-checking and detecting flow anomalies. Additionally, in 2021, we deployed on one of our ultra-deepwater drillships the first kinetic blowout stopper, a step-changing technology that promotes operations integrity and enterprise risk reduction through unrivaled shearing capability. In 2022, we deployed an offshore robotic riser bolting tool on two of our ultra-deepwater drillships, improving our ability to deliver safe and efficient operations to our customers.

We believe our efforts to continuously improve, and effectively use, innovative technologies to meet or exceed our customers' requirements is critical to maintaining our competitive position within the contract drilling services industry by ensuring the safety of our crews, drilling more efficient wells, building greater resilience into our critical operating systems and reducing fuel consumption and emissions.

JOINT VENTURE, AGENCY AND SPONSORSHIP RELATIONSHIPS AND OTHER INVESTMENTS

In some areas of the world, local customs and practice or governmental requirements necessitate the formation of joint ventures with local participation since local laws or customs in those areas effectively mandate the establishment of a relationship with a local agent or sponsor. When appropriate in these areas, we may enter into agency or sponsorship agreements. We also invest in certain companies for operational and strategic purposes. Some of these joint ventures or companies in which we are an investor are involved in researching and developing technology to improve efficiency, reliability, sustainability and safety for our drilling and other activities or are involved in businesses developed to support renewable or other energy alternatives. We may or may not control these partially owned companies. At December 31, 2022, we held partial ownership interests in companies organized in the Cayman Islands, the U.S., Norway, Canada and other countries. At December 31, 2022, among other equity investments, we held a 33 percent ownership interest in Orion, an unconsolidated Cayman Islands exempted company that owns the harsh environment semisubmersible *Transocean Norge* and we held a 20 percent ownership interest in Liquila, an unconsolidated Bermuda company formed to construct, own and operate the newbuild ultra-deepwater drillship *Deepwater Aquila*, which is currently under construction.

GOVERNMENTAL REGULATIONS

Our operations are subject to a variety of international, national, regional, state and local government regulations, including environmental regulations. We monitor our compliance with such government regulations in each country of operation and, notwithstanding increases in governmental regulations, particularly general environmental regulations, we have made and will continue to make the required expenditures to comply with current and future government requirements. To date, we have not incurred material costs to comply with such governmental regulations, and we do not expect to make any material capital expenditures to support our continued compliance in the year ending December 31, 2023, or any other period contemplated at this time. We do not believe that our compliance with such requirements will have a material adverse effect on our competitive position, consolidated results of operations or cash flows. We incorporate by reference herein the disclosures on government regulations, including environmental regulations, contained in the following sections of this annual report:

- "Item 1A. Risk Factors—Risks related to our laws, regulations and governmental compliance;"
- "Item 3. Legal Proceedings;"
- "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Matters;"
- "Part II. Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note 10—Income Taxes;" and
- "Part II. Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note 12—Commitments and Contingencies."

AVAILABLE INFORMATION

Our website address is www.deepwater.com. Information contained on or accessible from our website is not incorporated by reference into this annual report and should not be considered a part of this report or any filing that we make with the SEC. Furthermore, references to our website URLs are intended to be inactive textual references only. We make available on this website free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file those materials with, or furnish those materials to, the SEC. You may also find on our website information related to our corporate governance, board committees and company code of business conduct and ethics. The SEC also maintains a website, www.sec.gov, which contains reports, proxy statements and other information regarding SEC registrants, including us. We intend to satisfy the requirement under Item 5.05 of Form 8-K to disclose any amendments to our Code of Integrity and any waiver from any provision of our Code of Integrity by posting such information in the Governance page on our website at www.deepwater.com.

ITEM 1A. RISK FACTORS

RISKS RELATED TO OUR BUSINESS

OUR BUSINESS DEPENDS ON THE LEVEL OF ACTIVITY IN THE OFFSHORE OIL AND GAS INDUSTRY, WHICH IS SIGNIFICANTLY AFFECTED BY VOLATILE OIL AND GAS PRICES AND OTHER FACTORS.

Our business depends on oil and gas exploration, development and production in offshore areas where we are capable of operating. Demand for our services depends on these activities and related expenditure levels that are directly affected by trends in oil and, to a lesser extent, natural gas prices. Oil and gas prices are extremely volatile and are affected by numerous factors, including the following:

- worldwide demand for oil and gas, including economic activity in the U.S., other large energy-consuming markets and in developing and emerging markets, which was significantly impacted by COVID-19 and the governmental, company and individual reactions thereto;
- the ability of the Organization of the Petroleum Exporting Countries ("OPEC") to set and maintain production levels, productive spare capacity and pricing among its members;
- the level of production in non-OPEC countries;
- inventory levels, and the cost and availability of storage and transportation of oil, gas and their related products;
- the policies, laws and regulations of various governments regarding exploration and development of their oil and gas reserves and environmental matters, including those addressing alternative energy sources and the risks of global climate change;
- international sanctions on oil-producing countries, or the lifting of such sanctions;
- advances in exploration, development and production technology;
- the development, exploitation and market acceptance of alternative energy sources;
- the further development of shale technology to exploit oil and gas reserves;
- the discovery rate of new oil and gas reserves and the rate of decline of existing oil and gas reserves;
- accidents, adverse weather conditions, natural disasters and other similar incidents relating to the oil and gas industry; and
- the worldwide security and political environment, including uncertainty or instability resulting from an escalation or outbreak of armed hostilities, civil unrest, acts of terrorism, public health threats or other crises.

Demand for our services is particularly sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, energy companies, including national energy companies. Prolonged reductions in oil and natural gas prices could depress the immediate levels of exploration, development and production activity. Perceptions of longer-term lower oil and natural gas prices by energy companies, or a perception that the demand for hydrocarbons will significantly decrease in the medium to long term, could similarly reduce or defer major expenditures given the long-term nature of many large-scale development projects and capital reinvestment policies. Lower levels of activity result in a corresponding decline in the demand for our services, which could have a material adverse effect on our revenue and profitability. Oil and gas prices and market expectations of potential changes in these prices significantly affect this level of activity. However, increases in near-term commodity prices do not necessarily translate into increased offshore drilling activity since customers' expectations of longer-term future commodity prices and expectations regarding future demand for hydrocarbons typically have a greater impact on demand for our rigs. Consistent with this dynamic, customers may delay or cancel many exploration and development programs, resulting in reduced demand for our services. Also, increased competition for customers' drilling budgets could come from, among other areas, land-based energy markets worldwide. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments also affect customers' drilling campaigns. Worldwide military, political and economic events have often contributed to oil and gas price volatility and are likely to do so in the future.

THE OFFSHORE DRILLING INDUSTRY IS HIGHLY COMPETITIVE AND CYCLICAL, WITH INTENSE PRICE COMPETITION.

The offshore contract drilling industry is highly competitive with numerous industry participants, none of which has a dominant market share. Drilling contracts are traditionally awarded on a competitive bid basis. Although rig availability, service quality and technical capability are drivers of customer contract awards, bid pricing and intense price competition are often key determinants for which a qualified contractor is awarded a job.

The offshore drilling industry is highly cyclical and is impacted by oil and natural gas price levels and volatility. Periods of high customer demand, limited rig supply and high dayrates have been followed by periods of low customer demand, excess rig supply and low

dayrates. Changes in commodity prices can have a dramatic effect on rig demand, and periods of excess rig supply may intensify competition in the industry and result in the idling of older and less technologically advanced equipment. We have idled and stacked rigs, and may in the future idle or stack additional rigs or enter into lower dayrate drilling contracts in response to market conditions. Idled or stacked rigs may remain out of service for extended periods of time. During prior periods of high dayrates and rig utilization rates, we and other industry participants responded to increased customer demand by increasing the supply of rigs through ordering the construction of new units. The introduction of new units delivered without contracts, combined with an increased number of rigs in the global market completing contracts and becoming idle, would intensify price competition. During periods of low oil and natural gas price levels, new construction has resulted in an oversupply of rigs and has caused a subsequent decline in dayrates and rig utilization rates, sometimes for extended periods of time. In an oversupplied market, we may have limited bargaining power to negotiate on more favorable terms. Additionally, lower market dayrates and intense price competition may drive customers to seek to renegotiate existing contracts to reduce dayrates in exchange for longer contract terms. Lower dayrates and rig utilization rates could adversely affect our revenues and profitability.

As of February 9, 2023, we have 13 uncontracted rigs, of which five have been out of service for greater than five years, and these rigs may remain out of service for extended periods of time. We also have a noncontrolling ownership interest in a company that has an uncontracted newbuild drillship under construction. If we are unable to obtain drilling contracts for our uncontracted rigs, whether due to a prolonged offshore drilling market downturn, a delayed or muted recovery of such market or otherwise, it may have an adverse effect on our results of operations and cash flows.

WE MAY NOT BE ABLE TO RENEW OR OBTAIN NEW DRILLING CONTRACTS FOR RIGS WHOSE CONTRACTS ARE EXPIRING OR OBTAIN DRILLING CONTRACTS FOR OUR STACKED AND IDLE RIGS.

The offshore drilling markets in which we compete experience fluctuations in the demand for drilling services. Our ability to renew expiring drilling contracts or obtain new drilling contracts depends on the prevailing or expected market conditions. As of February 9, 2023, we have 13 stacked or idle rigs. We also have seven existing drilling contracts for our rigs that are currently operating, which are scheduled to expire before December 31, 2023. We may be unable to obtain drilling contracts for our rigs that are currently operating upon the expiration or termination of such contracts, and there may be a gap in the operation of the rigs between the current contracts and subsequent contracts. When oil and natural gas prices are low or it is expected that such prices will decrease in the future, we may be unable to obtain drilling contracts at attractive dayrates or at all. We may not be able to obtain new drilling contracts with the terms or dayrates sufficient to support a reactivation of a cold stacked rig. Likewise, we may not be able to obtain new drilling contracts in direct continuation with existing contracts, or depending on prevailing market conditions, we may enter into drilling contracts at dayrates substantially below the existing dayrates or on terms otherwise less favorable compared to existing contract terms, which may have an adverse effect on our financial position, results of operations or cash flows.

OUR CURRENT BACKLOG OF CONTRACT DRILLING REVENUES MAY NOT BE FULLY REALIZED.

At February 9, 2023, our contract backlog was approximately \$8.54 billion. This amount represents the maximum contractual operating dayrate multiplied by the number of days remaining in the firm contract period, excluding revenues for mobilization, demobilization, contract preparation, other incentive provisions or reimbursement revenues, which are not expected to be significant to our contract drilling revenues. Our contract backlog includes amounts associated with our one contracted newbuild unit that is currently under construction. The contractual operating dayrate may be higher than the actual dayrate we ultimately receive or an alternative contractual dayrate, such as waiting on weather rate, repair rate, standby rate or force majeure rate, may apply under certain circumstances. The contractual operating dayrate may also be higher than the actual dayrate we ultimately receive due to a number of factors, including rig downtime or suspension of operations. Several factors could cause rig downtime or a suspension of operations, including: equipment breakdowns and other unforeseen engineering problems, labor strikes and other work stoppages, shortages of material and skilled labor, surveys by government and maritime authorities, periodic classification surveys, severe weather or harsh operating conditions, and force majeure events.

In certain drilling contracts, the dayrate may be reduced to zero if, for example, repairs extend beyond a stated period of time. Our contract backlog includes only firm commitments, which are represented by signed drilling contracts or, in some cases, other definitive agreements awaiting contract execution. We may not be able to realize the full amount of our contract backlog due to events beyond our control. In addition, some of our customers have experienced liquidity issues in the past, including some recently, and these liquidity issues could be experienced again if commodity prices decline for an extended period of time. Liquidity issues and other market pressures could lead our customers to seek bankruptcy protection or to seek to repudiate, cancel or renegotiate these agreements for various reasons (see “—Our drilling contracts may be terminated due to a number of events, and, during depressed market conditions, our customers may seek to repudiate or renegotiate their contracts”). Our inability to realize the full amount of our contract backlog may have an adverse effect on our financial position, results of operations or cash flows.

WE MUST MAKE SUBSTANTIAL CAPITAL AND OPERATING EXPENDITURES TO REACTIVATE OUR STACKED OR IDLE FLEET AND TO MAINTAIN OUR ACTIVE FLEET, AND WE MAY BE REQUIRED TO MAKE SIGNIFICANT CAPITAL EXPENDITURES TO MAINTAIN OUR COMPETITIVENESS AND TO COMPLY WITH LAWS AND APPLICABLE REGULATIONS AND STANDARDS OF GOVERNMENTAL AUTHORITIES AND ORGANIZATIONS.

We must make substantial capital and operating expenditures to maintain our active fleet or to reactivate our stacked or idle fleet. These expenditures could increase as a result of changes in the cost of labor and materials, requirements of customers, the size of our fleet, the cost of replacement parts for existing rigs, the geographic location of the rigs and the length of drilling contracts. Changes in offshore

drilling technology, customer requirements for new or upgraded equipment and competition within our industry may require us to make significant capital expenditures in order to maintain our competitiveness and to achieve our intention to reduce our greenhouse gas emission intensity. Changes in governmental regulations, including environmental requirements, and changes in safety or other equipment standards, as well as compliance with standards imposed by maritime self-regulatory organizations, may cause our capital expenditures to increase or require us to make additional unforeseen capital expenditures. As a result of these factors, we may be required to take our rigs out of service for extended periods of time, with corresponding losses of revenues, in order to make such alterations or to add such equipment. In the future, market conditions may not justify these expenditures or enable us to operate our older rigs profitably during the remainder of their economic lives.

If we are unable to fund capital expenditures with our cash flows from operations or proceeds from sales of non-strategic assets, we may be required to either incur additional borrowings or raise capital through the sale of debt or equity securities, or additional financing arrangements with banks or other capital providers. Our ability to access the capital markets may be limited by our financial condition at the time, perceptions of us or our industry, by changes in laws and regulations or interpretation thereof and by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. If we raise funds by issuing equity securities or other securities that are convertible into equity securities, existing shareholders may experience dilution. Our failure to obtain the funds for necessary future capital expenditures could have a material adverse effect on our business and on our financial position, results of operations and cash flows.

OUR OPERATING AND MAINTENANCE COSTS WILL NOT NECESSARILY FLUCTUATE IN PROPORTION TO CHANGES IN OUR OPERATING REVENUES.

Our operating and maintenance costs will not necessarily fluctuate in proportion to changes in our operating revenues and are affected by many factors, including inflation. Costs for operating a rig are generally fixed or only semi-variable regardless of the dayrate being earned. To the extent a drilling contract provides for escalations attributable to inflation in our costs, those adjustments will lag the impact of inflationary pressures and may not reflect the full impact to us of any cost inflation. As drilling contracts with such provisions expire or are terminated, there can be no assurance that future drilling contracts will contain similar provisions, which may reduce our margins in inflationary environments. In addition, should our rigs incur unplanned downtime while on contract or idle time between drilling contracts, we will not always reduce the staff on those rigs because we could use the crew to prepare the rig for its next contract. During times of reduced activity, reductions in costs may not be immediate because portions of the crew may be required to prepare rigs for stacking, after which time the crew members may be reassigned to active rigs or released. As our rigs are mobilized from one geographic location to another, the labor and other operating and maintenance costs can vary significantly. In general, labor costs increase primarily due to higher salary levels and inflation. Equipment maintenance costs fluctuate depending upon the type of activity the unit is performing and the age and condition of the equipment, and these costs could increase for short or extended periods as a result of regulatory or customer requirements that raise maintenance standards above historical levels. The amount of contract preparation and reactivation costs vary based on the scope and length of the contract preparation or reactivation project, and the recognition of such costs varies depending on the duration of the firm contractual period and other contract terms.

Certain of our drilling contracts are partially payable in local currency. The amounts, if any, of local currency received under these drilling contracts may exceed our local currency needs to pay local operating and maintenance costs, leading to an accumulation of excess local currency balances, which, in certain instances, may be subject to either restrictions or other difficulties in converting to U.S. dollars, our functional currency, or to other currencies of the locations where we operate. Excess amounts of local currency may also be exposed to the risk of currency exchange losses.

PUBLIC AND INVESTOR SENTIMENT TOWARDS CLIMATE CHANGE, FOSSIL FUELS AND OTHER ESG MATTERS COULD ADVERSELY AFFECT OUR BUSINESS, COST OF CAPITAL AND THE PRICE OF OUR STOCK AND OTHER SECURITIES.

Changing public sentiment concerning fossil fuels, aimed at the investment community, including investment advisors, sovereign wealth funds, public pension funds, universities and other groups, has prompted efforts to promote the divestment of shares of energy companies, as well as to pressure lenders and other financial services companies to limit or curtail activities with energy companies. These efforts have recently intensified, as demonstrated by the State of New York's December 2020 announcement that it will be divesting the state's Common Retirement Fund from fossil fuels by 2040. If this or similar divestment efforts are successful, our stock price and our ability to access capital markets may be negatively impacted.

Members of the investment community are also increasing their focus on environmental, social and governance ("ESG") practices and disclosures, including practices and disclosures related to greenhouse gases and climate change, in the energy industry in particular, and diversity and inclusion initiatives and governance standards among public companies more generally. As a result, we may face increasing pressure regarding our ESG disclosures and practices. Additionally, members of the investment community may screen companies such as ours for ESG sustainability performance before investing in our stock. Over the past few years there has also been an acceleration in investor demand for ESG investing opportunities, and many large institutional investors have committed to increasing the percentage of their portfolios that are allocated towards ESG investments. As a result, there has been a proliferation of ESG focused investment funds seeking ESG oriented investment products. If we or our securities are unable to meet the sustainability ESG standards or investment criteria set by these investors and funds, we may lose investors or investors may allocate a portion of their capital away from us,

our cost of capital may increase, our stock price may be negatively impacted, the cost of capital associated with our securities offerings may increase and our reputation may be negatively affected.

PUBLIC HEALTH THREATS HAVE HAD, AND MAY CONTINUE TO HAVE, SIGNIFICANT ADVERSE CONSEQUENCES FOR GENERAL ECONOMIC, FINANCIAL AND BUSINESS CONDITIONS, AS WELL AS FOR OUR BUSINESS AND OPERATIONS.

Public health threats, including pandemics and epidemics, such as the outbreak of COVID-19, new variants thereof, severe influenza, other coronaviruses and other highly communicable viruses or diseases, have impacted and may continue to impact our operations directly or indirectly, including by disrupting the operations of our business partners, suppliers and customers in ways that adversely impact our operations. Such impacts may include, among others:

- causing a temporary shut-down of operations in case of an outbreak on one or more of our rigs;
- disrupting or restricting the ability of our suppliers, manufacturers and service providers to supply parts, equipment labor or services in the jurisdictions in which we operate or conduct shipyard activities including newbuild construction;
- causing us to incur increased costs, inefficiencies, and labor shortages as a result of precautionary measures taken to counteract a potential or actual outbreak, including testing and quarantining of offshore personnel; and
- being negatively affected by various actions by governmental authorities around the world designed to prevent or reduce the spread of an outbreak, such as imposing mandatory closures of all business facilities deemed to be non-essential, seeking voluntary closures of such facilities and imposing restrictions on, or issuing advisories with respect to, travel, business operations and public gatherings or interactions.

As a result, we may experience significant adverse consequences in our ability to meet our commitments to customers, including due to increased operating costs and increased risk of rig downtime or contract termination, which may result in substantial adverse consequences for our business and results of operations. In addition, public health threats may result in significantly reduced global or regional economic activity, which could result in a sharp reduction in the demand for oil and an associated decline in oil prices as occurred during 2020. Such conditions may result in, reductions to our customers' drilling and production expenditures and delays or cancellations of projects, which may cause a decrease in demand for our services and an increase in the risk that our customers may seek to terminate or renegotiate pricing or other terms for our existing contracts or that more of our rigs may become idle, stacked or retired from our fleet.

The magnitude and duration of potential social, economic and labor instability resulting from such public health threats, including the speed at which national economies can recover, or whether any recovery will ultimately experience a reversal or other setbacks, are uncertain and cannot be estimated as such effects depend on future events that would be largely out of our control.

WE RELY HEAVILY ON A RELATIVELY SMALL NUMBER OF CUSTOMERS AND THE LOSS OF A SIGNIFICANT CUSTOMER OR A DISPUTE THAT LEADS TO THE LOSS OF A CUSTOMER COULD HAVE AN ADVERSE EFFECT ON OUR BUSINESS.

We engage in offshore drilling services for most of the leading integrated energy companies or their affiliates, as well as for many government-owned or government-controlled energy companies and other independent energy companies. For the year ended December 31, 2022, our most significant customers were Shell, Equinor and Petrobras, representing approximately 33 percent, 25 percent and 11 percent, respectively, of our consolidated operating revenues. As of February 9, 2023, the customers with the most significant aggregate amount of contract backlog associated with our drilling contracts were Shell, Petrobras and Chevron, representing approximately 33 percent, 31 percent, and 14 percent, respectively, of our total contract backlog. The loss of any of these customers or another significant customer, or a decline in payments under any of our drilling contracts, could, at least in the short term, have an adverse effect on our business.

OUR BUSINESS INVOLVES NUMEROUS OPERATING HAZARDS, AND OUR INSURANCE AND INDEMNITIES FROM OUR CUSTOMERS MAY NOT BE ADEQUATE TO COVER POTENTIAL LOSSES FROM OUR OPERATIONS.

Our operations are subject to the usual hazards inherent in the drilling of oil and gas wells, such as, blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, craterings, fires, explosions and pollution. Contract drilling requires the use of heavy equipment and exposure to hazardous conditions, which may subject us to liability claims by employees, customers and other 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 or customers 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, piracy, damage from severe weather and marine life infestations.

The U.S. Gulf of Mexico, the South China Sea and the Northwest Coast of Australia are areas subject to typhoons, hurricanes or other extreme weather conditions on a relatively frequent basis, and our drilling rigs in these regions may be exposed to damage or total loss by these storms, some of which may not be covered by insurance. The occurrence of these events could result in the suspension of drilling operations, damage to or destruction of the equipment involved and injury to or death of rig personnel. Some experts believe global climate change could increase the frequency and severity of these extreme weather conditions. 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 indemnity to our customers for certain claims that could be asserted by us relating to damage to or loss of our equipment, including rigs, and claims that could be asserted by us or our employees 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 hydrocarbons, fuel, lubricants or other chemicals and substances used in drilling operations, or extensive uncontrolled fires. We may also

be subject to property damage, environmental indemnity and other claims by energy companies or other third parties. Drilling involves certain risks associated with the loss of control of a well, such as blowout, cratering, the cost to regain control of or redrill the well and remediation of associated pollution. Our customers may be unable or unwilling to indemnify us against such risks. In addition, a court may decide that certain indemnities in our current or future drilling contracts are not enforceable. The law generally considers contractual indemnity for criminal fines and penalties to be against public policy, and the enforceability of an indemnity as to other matters may be limited.

Our insurance policies and drilling contracts contain rights to indemnity that may not adequately cover our losses, and we do not have insurance coverage or rights to indemnity for all risks. We have two main types of insurance coverage: (1) hull and machinery coverage for physical damage to our property and equipment and (2) excess liability coverage, which generally covers offshore risks, such as personal injury, third-party property claims, and third-party non-crew claims, including wreck removal and pollution. We generally have no hull and machinery insurance coverage for damages caused by named storms in the U.S. Gulf of Mexico. We maintain per occurrence deductibles that generally range up to \$10 million for various third-party liabilities, and we self-insure \$50 million of the \$750 million excess liability coverage through our wholly owned captive insurance company. We also retain the risk for any liability that exceeds our excess liability coverage. However, pollution and environmental risks generally are not completely insurable.

If a significant accident or other event occurs that is not fully covered by our insurance or by an enforceable or recoverable indemnity, the occurrence could adversely affect our financial position, results of operations or cash flows. The amount of our insurance may also be less than the related impact on enterprise value after a loss. Our insurance coverage will not in all situations provide sufficient funds to protect us from all liabilities that could result from our drilling operations. Our coverage includes annual aggregate policy limits. As a result, we generally retain the risk for any losses in excess of these limits. We generally do not carry insurance for loss of revenue, and certain other claims may also not be reimbursed by insurance carriers. Any such lack of reimbursement may cause us to incur substantial costs. In addition, we could decide to retain more risk in the future, resulting in higher risk of losses, which could be material. Moreover, we may not be able to maintain adequate insurance in the future at rates that we consider reasonable or be able to obtain insurance against certain risks.

OUR DRILLING CONTRACTS MAY BE TERMINATED DUE TO A NUMBER OF EVENTS, AND, DURING DEPRESSED MARKET CONDITIONS, OUR CUSTOMERS MAY SEEK TO REPUDIATE OR RENEGOTIATE THEIR CONTRACTS.

Certain of our drilling contracts with customers may be cancelable at the option of the customer upon payment of an early termination payment. Such payments may not, however, fully compensate us for the loss of the contract. For example, early in the fourth quarter of 2022, *Transocean Equinox* concluded the activities contemplated in its drilling contract prior to the end of the contract's firm term that was previously expected late in the fourth quarter of 2022. The termination payment associated with the drilling contract would not fully compensate us for the early termination of the contract. Drilling contracts also customarily provide for either automatic termination or termination at the option of the customer, typically without the payment of any termination fee, under various circumstances such as non-performance, as a result of significant downtime or impaired performance caused by equipment or operational issues, or sustained periods of downtime due to force majeure events, many of which are beyond our control. Certain customers who seek to terminate our drilling contracts may attempt to defeat or circumvent our protections against certain liabilities. Our customers' ability to perform their obligations under their drilling contracts, including their ability to fulfill their indemnity obligations to us, may also be negatively impacted by an economic downturn. Our customers, which include national energy companies, often have significant bargaining leverage over us. If our customers cancel some of our contracts, and we are unable to secure new contracts on a timely basis and on substantially similar terms, or if contracts are suspended for an extended period of time or if a number of our contracts are renegotiated on terms that are not as favorable as current terms, it could adversely affect our financial position, results of operations or cash flows.

During periods of depressed market conditions, such as we have recently experienced, we are subject to an increased counterparty risk, as our customers may seek to repudiate their contracts, including through claims of non-performance in order to reduce their capital expenditures. Our customers may no longer need a drilling rig that is currently under contract or may be able to obtain a comparable drilling rig at a lower dayrate. We have experienced, and are at continued risk of experiencing, early contract terminations when there is a weak commodity price environment. The ability of each of our counterparties to perform its obligations under a contract with us, including indemnity obligations, will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the offshore drilling industry, prevailing prices for oil and natural gas, the overall financial condition of the counterparty, the dayrates received and the level of expenditures necessary to maintain drilling activities. Should a counterparty fail to honor its obligations under an agreement with us, we could sustain losses, which could have an adverse effect on our business and on our financial position, results of operations or cash flows.

FAILURE TO RECRUIT AND RETAIN PERSONNEL COULD HURT OUR OPERATIONS.

We depend on the continuing efforts of key members of our management, as well as other highly skilled personnel, to operate and provide technical services and support for our business worldwide. Historically, competition for the personnel required for drilling operations has intensified as the number of rigs activated, added to worldwide fleets or under construction increased, leading to shortages of qualified personnel in the industry and creating upward pressure on wages and higher turnover. We may experience a reduction in the experience level of our personnel as a result of any increased turnover, which could lead to higher downtime and more operating incidents, which in turn could decrease revenues and increase costs. If increased competition for qualified personnel were to intensify in the future we may experience increases in costs or limits on operations.

OUR LABOR COSTS AND THE OPERATING RESTRICTIONS UNDER WHICH WE OPERATE COULD INCREASE AS A RESULT OF COLLECTIVE BARGAINING NEGOTIATIONS AND ADDITIONAL UNIONIZATION EFFORTS.

As of December 31, 2022, approximately 43 percent of our total workforce, working primarily in Norway, Brazil and the U.K., are represented by, and some of our contracted labor work is subject to, collective bargaining agreements, substantially all of which are subject to annual salary negotiation. Negotiations over annual salary or other labor matters could result in higher personnel or other costs or increased operational restrictions or disruptions. The outcome of any such negotiation generally affects the market for all offshore employees, not only the union members. A failure to reach an agreement on certain key issues could result in strikes, lockouts, or other work stoppages. Legislation has been introduced in the U.S. Congress that could encourage additional unionization efforts in the U.S., as well as increase the chances that such efforts succeed. Additional unionization efforts, if successful, new collective bargaining agreements or work stoppages could materially increase our labor costs and operating restrictions.

OUR SHIPYARD PROJECTS AND OPERATIONS ARE SUBJECT TO DELAYS AND COST OVERRUNS.

We have a variety of shipyard projects underway for our existing rigs at any given time. Additionally, as of February 14, 2023, we were constructing one ultra-deepwater drillship and held a noncontrolling ownership interest in a company that is constructing one ultra-deepwater drillship. These shipyard projects are subject to the risks of delay or cost overruns inherent in any such construction project resulting from numerous factors, including the following:

- complications arising from pandemics and epidemics, such as severe influenza, coronaviruses and other highly communicable viruses or diseases, and associated government orders in the country where the rigs are being constructed or serviced and elsewhere;
- shipyard availability, failures and difficulties;
- shortages of equipment, materials or skilled labor;
- failure or delayed deliveries of significant materials or equipment for various reasons, including due to supplier shortages, constraints, disruption or quality issues;
- design and engineering problems, including those relating to the commissioning of newly designed equipment;
- latent damages or deterioration to hull, equipment and machinery in excess of engineering estimates and assumptions;
- unanticipated actual or purported change orders;
- disputes with shipyards and suppliers;
- availability of suppliers to recertify equipment for enhanced regulations;
- strikes, labor disputes and work stoppages;
- customer acceptance delays or delays in providing customer-supplied engineering, approvals or equipment;
- adverse weather conditions, including damage caused by such conditions;
- terrorist acts, war, piracy and civil unrest;
- unanticipated cost increases; and
- difficulty in obtaining necessary permits or approvals.

These factors may contribute to cost variations and delays in the delivery of rigs undergoing shipyard projects or any future newbuild units. Cost variations may result in, among other things, disputes with the shipyards that construct or service our drilling units. In addition, delayed delivery of our newbuild units or other rigs undergoing shipyard projects would impact contract commencement, resulting in a loss of revenues we could earn, and may also cause customers to terminate or shorten the term of the drilling contract for the rig pursuant to applicable late delivery clauses. In the event of termination of any of these drilling contracts, we may not be able to secure a replacement contract on as favorable terms, if at all.

Our operations also rely on a significant supply of capital and consumable spare parts and equipment to maintain and repair our fleet. We also rely on the supply of ancillary services, including supply boats and helicopters. Our reliance on our suppliers, manufacturers and service providers to secure equipment, parts, components and sub-systems used in our operations exposes us to volatility in the quality, prices and availability of such items. Certain parts and equipment that we use in our operations may be available only from a small number of suppliers, manufacturers or service providers, or in some cases must be sourced through a single supplier, manufacturer or service provider. Some parts and equipment require long lead times to obtain, and an unplanned failure or other need to replace any such parts and equipment may result in a longer than usual time to obtain them or require us to pay higher costs to obtain them on an expedited basis. A disruption in the deliveries from our suppliers, manufacturers or service providers, capacity constraints, production disruptions, price increases, quality control issues, recalls or other decreased availability of parts and equipment or ancillary services could adversely affect our ability to meet our commitments to customers, adversely impact our operations, increase our operating costs and result in increases in rig downtime and delays in the repair and maintenance of our fleet.

AS PART OF OUR BUSINESS STRATEGIES, WE MAY PURSUE OPPORTUNITIES TO STRENGTHEN AND BROADEN OUR BUSINESS THAT INCLUDE ACQUISITIONS OF BUSINESSES OR DRILLING RIGS, MERGERS OR JOINT VENTURES OR OTHER INVESTMENTS, AND SUCH TRANSACTIONS WOULD PRESENT VARIOUS RISKS AND UNCERTAINTIES.

We may pursue transactions that involve the acquisition of businesses or assets, mergers or joint ventures or other investments that we believe will enable us to further strengthen or broaden our business. Any such transaction would be evaluated on a case-by-case basis, and the consummation thereof would be dependent upon several factors, including identifying suitable companies, businesses or assets that align with our business strategies, reaching agreement with the potential counterparties on acceptable terms, the receipt of any applicable regulatory and other approvals, and other conditions. These transactions involve various risks, including among others, (i) difficulties related to integrating or managing applicable parts of an acquired business or joint venture and unanticipated changes in

customer and other third-party relationships subsequent to closing, (ii) diversion of management's attention from day-to-day operations, (iii) failure to realize anticipated benefits, such as cost savings, revenue enhancements or strengthening or broadening our business, (iv) potentially substantial transaction costs associated with acquisitions, joint ventures or investments if we or a transaction counterparty seeks to exit or terminate an interest in the joint venture or investment, and (v) potential accounting impairment or actual diminution or loss of value of our investment if future market, business or other conditions ultimately differ from our assumptions at the time of such transaction is consummated.

FAILURE TO EFFECTIVELY AND TIMELY ADDRESS THE TRANSITION TO RENEWABLE OR OTHER ALTERNATIVE ENERGY SOURCES, OR TO RESPOND TO OTHER CLIMATE RELATED BUSINESS TRENDS, COULD ADVERSELY AFFECT OUR BUSINESS, RESULTS OF OPERATIONS AND CASH FLOWS.

Our long-term success will be impacted by our ability to effectively address the transition to renewable and other alternative energy sources, and our ability to respond to other climate-related business trends that could adversely impact the long-term demand for oil and natural gas and, ultimately, the demand for our services and products from our services. Addressing increased focus on the development of additional alternative energy sources and other climate-related business trends has required and will further require adapting certain parts of our operations to changing government requirements and customer preferences.

We continue to engage with existing and potential customers and suppliers to develop or implement solutions designed to reduce or decarbonize oil and gas operations, or to advance renewable and other alternative energy sources. Nonetheless, as it is not possible at this time to predict the timing, scope and effect of the development of and transition to renewable or other alternative energy sources, any such developments, such as the declining cost of renewable energy generation technologies, could adversely impact the long-term global demand for oil and natural gas and, ultimately, the demand for our services and products from our services. If the transition to alternative energy sources or other climate-related trends change faster than anticipated or develop in a manner that we do not anticipate, our business, results of operations and cash flows could be adversely affected. If we do not or are perceived to not effectively implement a strategy that incorporates alternative energy sources, or if investors or financial institutions shift funding away from companies in fossil fuel-related industries, our access to capital or the market for our securities could be negatively impacted.

OUR ASPIRATIONS, GOALS, COMMITMENT TARGETS AND INITIATIVES RELATED TO SUSTAINABILITY, INCLUDING EMISSIONS REDUCTION, AND OUR PUBLIC STATEMENTS AND DISCLOSURES REGARDING THEM, EXPOSE US TO NUMEROUS RISKS.

We have developed, and will continue to develop and set, goals, targets, and other objectives related to sustainability matters, including our commitment target to reduce greenhouse gas emissions intensity. Statements related to these goals, commitment targets and objectives reflect our current intentions and do not constitute a guarantee that they will be achieved. Our efforts to research, establish, accomplish, and accurately report on these goals, commitment targets, and other objectives expose us to numerous operational, reputational, financial, legal, and other risks. Our ability to achieve any stated goal, commitment target, or objective, including with respect to emissions intensity reduction, is subject to numerous factors and conditions, some of which are outside of our control.

Our business may face increased scrutiny from investors and other stakeholders related to our sustainability activities, including the goals, commitment targets, and other objectives that we announce, and our methodologies and timelines for pursuing them. If our sustainability assumptions or practices do not meet investor or other stakeholder expectations and standards, which continue to evolve, our reputation, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively affected. Similarly, our failure or perceived failure to pursue or fulfill our sustainability-focused goals, targets, and objectives, to comply with ethical, environmental, or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters, within the timelines we announce, or at all, could adversely affect our business or reputation, as well as expose us to government enforcement actions and private litigation.

RISKS RELATED TO OUR INDEBTEDNESS

WE HAVE A SUBSTANTIAL AMOUNT OF DEBT, INCLUDING SECURED DEBT, AND WE MAY LOSE THE ABILITY TO OBTAIN FUTURE FINANCING AND SUFFER COMPETITIVE DISADVANTAGES.

At December 31, 2022 and 2021, our total debt was \$7.35 billion and \$7.17 billion, respectively, of which \$2.19 billion and \$2.30 billion, respectively, was secured. We have a bank credit agreement (as amended, the “Secured Credit Facility”), which is currently undrawn, the borrowings under which would be secured. This substantial level of debt and other obligations could have significant adverse consequences on our business and future prospects, including the following:

- we may be unable to obtain financing in the future to refinance our existing debt or for working capital, capital expenditures, acquisitions, debt service requirements, distributions, share repurchases, or other purposes;
- we may be unable to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service the debt;
- we could become more vulnerable to general adverse economic and industry conditions, including increases in interest rates, particularly given our substantial indebtedness, some of which bears interest at variable rates;
- we may be unable to meet financial ratios in the agreements governing certain of our debt facilities and finance lease or satisfy certain other covenants and conditions included in our debt agreements, which could result in our inability to meet requirements for borrowings under our credit agreement or a default under these agreements, impose restrictions with respect to our access to certain of our capital, and trigger cross default provisions in our other debt instruments;
- if we default under the terms of our secured financing arrangements, the secured debtholders may, among other things, foreclose on the collateral securing the debt, including the applicable drilling units;
- we may be unable to obtain new investment or financing given recent ESG-influenced trends among many financial intermediaries, investors and other capital markets participants in reducing, or ceasing, lending to, or investing in, companies that operate in industries with higher perceived environmental exposure; and
- we may be less able to take advantage of significant business opportunities and to react to changes in market or industry conditions than our less levered competitors.

See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources and uses of liquidity.”

CREDIT RATING AGENCIES HAVE RATED OUR DEBT BELOW INVESTMENT GRADE, WHICH COULD LIMIT OUR ACCESS TO CAPITAL AND HAVE AN ADVERSE EFFECT ON OUR BUSINESS AND FINANCIAL CONDITION.

The ratings assigned to our debt securities by certain credit rating agencies (our “Debt Ratings”) are below investment grade. Our Debt Ratings could have adverse consequences for our business and future prospects and could cause the following:

- limitations on our ability to access debt markets, including for the purpose of refinancing our existing debt and replacing or extending our Secured Credit Facility;
- less favorable terms and conditions on any refinancing arrangements, debt issuances or bank credit agreements, some of which could require collateral and restrict, among other things, our ability to pay distributions or repurchase shares;
- increases to certain fees under our Secured Credit Facility and the interest rate under the indenture governing the 7.35% senior notes due December 2041, which has reached the maximum rate increase of 2 percent pursuant to the indenture due to the downgrades of certain credit rating agencies;
- reduced willingness of current and prospective customers, suppliers and creditors to transact business with us;
- requirements from creditors, suppliers or customers for additional insurance, guarantees and collateral;
- limitations on our access to bank and third-party guarantees, surety bonds and letters of credit; and
- reductions to or eliminations of the level of credit suppliers and financial institutions may provide through payment terms or intraday funding when dealing with us thereby increasing the need for higher levels of cash on hand, which would decrease our ability to repay debt balances.

Our Debt Ratings have caused some of the effects listed above, and any further downgrades may cause or exacerbate, any of the effects listed above and could have an adverse effect on our business and financial condition.

WORLDWIDE FINANCIAL, ECONOMIC AND POLITICAL CONDITIONS COULD RESTRICT OUR ABILITY TO ACCESS THE CAPITAL MARKETS, REDUCE OUR FLEXIBILITY TO REACT TO CHANGING ECONOMIC AND BUSINESS CONDITIONS AND REDUCE DEMAND FOR OUR SERVICES.

Worldwide financial and economic conditions could restrict our ability to access the capital markets at a time when we would like, or need, to access such markets, which could have an impact on our flexibility to react to changing economic and business conditions. Worldwide economic conditions have in the past impacted, and could in the future impact, the lenders participating in our credit facilities and our customers, causing them to fail to meet their obligations to us. If economic conditions preclude or limit financing from banking institutions participating in our credit facilities, we may not be able to obtain similar financing from other institutions. A slowdown in economic activity could further reduce worldwide demand for energy and extend or worsen the recovery from low oil and natural gas prices. These potential developments, or market perceptions concerning these and related issues, could adversely affect our financial position, results of operations or cash flows. In addition, turmoil and hostilities in the Middle East, Ukraine, North Africa and other geographic areas and countries present incremental risk. An extended period of negative outlook for the world economy could further reduce the overall demand for oil and natural gas and for our services. A further decline in oil and natural gas prices or an extension of the current low oil and natural gas prices could reduce demand for our drilling services and have an adverse effect on our financial position, results of operations or cash flows.

RISKS RELATED TO LAWS, REGULATIONS AND GOVERNMENTAL COMPLIANCE

IMPACT OF INCREASINGLY STRINGENT ENVIRONMENTAL AND SAFETY LAWS AND OUR COMPLIANCE WITH OR BREACH OF SUCH LAWS CAN BE COSTLY, EXPOSE US TO LIABILITY AND COULD LIMIT OUR OPERATIONS.

Our business is affected by laws and regulations relating to the energy industry and the environment and safety, including international conventions and treaties, and regional, national, state, and local laws and regulations. Our business also depends on demand for services from the oil and gas exploration and production industry, and, accordingly, we are directly affected by the adoption of laws and regulations that, for economic, environmental or other policy reasons, curtail, delay or impose additional compliance costs and obligations related to the exploration and development drilling for oil and gas. Offshore drilling in certain areas has been curtailed and, in certain cases, prohibited because of environmental or safety concerns. In addition, compliance with environmental and safety laws, regulations and standards, where applicable, may require us to make significant capital expenditures, such as the installation of costly equipment or implementation of operational changes, and may affect the resale values or useful lives of our rigs. We may also incur additional costs in order to comply with other existing and future regulatory obligations or industry standards, including, but not limited to, costs relating to air emissions, including greenhouse gases, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and maintenance of insurance coverage or other financial assurance of our ability to address pollution incidents. In the last decade, enhanced governmental safety and environmental requirements applicable to our operations were adopted by U.S. federal agencies for drilling in the U.S. Gulf of Mexico. These requirements have caused increased compliance costs and may in the future increase the risk of environmental or safety enforcement cases and litigation and cause operators to have difficulties obtaining drilling permits in the U.S. Gulf of Mexico. In addition, the oil and gas industry has adopted equipment and operating standards, such as the American Petroleum Institute Standard 53, related to the installation and testing of well control equipment. 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. Additionally, our customers may elect to voluntarily comply with any non-mandatory laws, regulations or other standards. Any such safety, environmental and other regulatory restrictions or standards, including voluntary customer compliance with respect thereto, could decrease, disrupt or delay operations, decrease demand for offshore drilling services, increase operating costs and compliance costs or penalties, increase out-of-service time, decrease dayrates, or reduce the area of operations for drilling rigs in the U.S. and non-U.S. offshore areas. Any such effects could have an adverse effect on our financial position, results of operations or cash flows.

To the extent new laws are enacted, existing laws are changed or other governmental actions are taken that prohibit or restrict offshore drilling or impose additional environmental protection and safety requirements that result in increased costs to the oil and gas industry, in general, or the offshore drilling industry, in particular, our business or prospects could be materially adversely affected. The operation of our drilling rigs will require certain governmental approvals, some of which 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 timely secure the necessary governmental approvals or permits, our customers may have the right to terminate or seek to renegotiate their drilling contracts to our detriment. 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 or production of oil and gas and compliance with any such new or amended legislation or regulations could have an adverse effect on our business or on our financial position, results of operations or cash flows.

As a contract driller with operations in certain offshore areas, we may be liable for damages and costs incurred in connection with oil spills or disposal of wastes related to those operations, and we may also be subject to significant fines and other liabilities in connection with spills. For example, an oil spill could result in significant liability, including fines, penalties and criminal liability and remediation, restoration or compensation costs for environmental or natural resource damages, as well as third-party damages, to the extent that the contractual indemnification provisions in our drilling contracts are not enforceable or otherwise sufficient, or if our customers are unwilling or unable to contractually indemnify us against these risks. Additionally, we may not be able to obtain such indemnities in our future drilling contracts, and our customers may not have the financial capability to fulfill their contractual obligations to us. Also, these indemnities may be held to be unenforceable in certain jurisdictions, as a result of public policy or for other reasons. Environmental and safety laws and regulations protecting the environment have become increasingly stringent and may in some cases impose strict liability on facility or vessel owners or operators, rendering a person liable for environmental damage without regard to negligence. These laws and regulations may expose us to liability for the conduct of, or conditions caused by, others or for acts that were in compliance with all applicable laws at the time they were performed. The application of these requirements or the adoption of new requirements or measures could have an adverse effect on our financial position, results of operations or cash flows.

REGULATORY AND VARIOUS OTHER RISKS, INCLUDING LITIGATION, ASSOCIATED WITH GREENHOUSE GASES, OTHER EMISSIONS AND CLIMATE CHANGE COULD HAVE AN ADVERSE IMPACT ON OUR BUSINESS AND DEMAND FOR OUR SERVICES.

Scientific studies have suggested that emissions of certain gases, including greenhouse gases, such as carbon dioxide and methane, contribute to warming of the earth's atmosphere and other climatic changes. In response to such studies, the issue of climate change and the effect of greenhouse gas emissions, in particular emissions from the fossil fuel industry, has attracted and continues to attract considerable political and social attention worldwide. The attention to climate change has led, and we expect it to continue to lead, to additional regulations designed to reduce greenhouse gas emissions domestically and internationally. In August 2022, for example, the U.S. enacted the Inflation Reduction Act of 2022, which contains hundreds of billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles and supporting infrastructure and carbon capture and sequestration, amongst other provisions. Such attention could also result in other adverse impacts for the oil and gas industry, including further restrictions or bans

imposed by lawmakers, lawsuits by governments or third-parties seeking recoveries for damages resulting from the combustion of fuels that may contribute to climate change effects, decreased demand for goods or services that produce significant greenhouse gas emissions, or reduced interest from investors if they elect in the future to shift some or all of their investments to non-fossil fuel related sectors. To the extent financial markets view climate change and greenhouse emissions as a financial risk, this could negatively impact our cost of or access to capital. Because our business depends on the level of activity in the oil and gas industry, existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change, or related political, litigation or financial risks, including incentives to conserve energy or use alternative energy sources, could have a negative impact on our business if such laws, regulations, treaties or international agreements reduce the worldwide demand for oil and gas or limit drilling opportunities. In addition, such laws, regulations, treaties or international agreements or related risks could result in increased compliance costs or additional operating restrictions, which may have an adverse effect on our business. Further, some experts believe global climate change could increase the frequency and severity of extreme weather conditions, the impacts of which could interfere with our operations, cause damage to our equipment as well as cause other financial and operational impacts, including those that could result from any impact of such conditions on our customers.

We could also face increased climate-related litigation with respect to our operations both in the U.S. and around the world. Governmental and other entities in various U.S. states, such as California and New York, have filed lawsuits against coal, gas oil and petroleum companies. These suits allege damages as a result of climate change, and the plaintiffs are seeking unspecified damages and abatement under various tort theories. Similar lawsuits may be filed in other jurisdictions both in the U.S. and globally. Though we are not currently a party to any such lawsuit, these suits present a high degree of uncertainty regarding the extent to which energy companies, including offshore drillers, face an increased risk of liability stemming from climate change, which risk would also adversely impact the oil and gas industry and impact demand for our services.

ANY RESTRICTIONS ON OIL AND NATURAL GAS OPERATIONS ON THE U.S. OUTER CONTINENTAL SHELF (“OCS”) COULD HAVE AN ADVERSE IMPACT ON OUR BUSINESS AND DEMAND FOR OUR SERVICES.

The U.S. Department of the Interior (“DOI”) administers the submerged lands, subsoil, and seabed, lying between the seaward extent of the states’ jurisdiction and the seaward extent of federal jurisdiction, and the U.S. government has the power to limit oil and gas activities on this area, known as the OCS. Under the Outer Continental Shelf Lands Act, as amended, the U.S. Bureau of Ocean Energy management (“BOEM”) within the DOI must prepare and maintain forward-looking five-year plans—referred to as national programs or five-year programs—to schedule proposed oil and gas lease sales on the OCS. On July 1, 2022, BOEM announced the availability of the Proposed Program for the 2023-2028 timeframe for public comments. The Proposed Program includes no more than ten potential lease sales in the U.S. Gulf of Mexico. Inclusion of an area in the Proposed Program is not a final indication that it will be included in the approved 2023-2028 National OCS Program or offered in a lease sale. In addition, the U.S. previously placed a moratorium on new oil and natural gas leases on federal lands and waters, including the federal OCS. Future actions taken by the U.S. to limit the availability of new oil and gas leases on the OSC would adversely impact the offshore oil and gas industry and impact demand for our services.

THE GLOBAL NATURE OF OUR OPERATIONS INVOLVES ADDITIONAL RISKS.

We operate in various regions throughout the world, which may expose us to political and other uncertainties, including risks of:

- terrorist acts, war, piracy and civil unrest;
- seizure, expropriation or nationalization of our equipment;
- expropriation or nationalization of our customers’ property;
- repudiation or nationalization of contracts;
- imposition of trade or immigration barriers;
- import-export quotas;
- wage and price controls;
- changes in law and regulatory requirements, including changes in interpretation and enforcement;
- involvement in judicial proceedings in unfavorable jurisdictions;
- damage to our equipment or violence directed at our employees, including kidnappings;
- complications associated with supplying, repairing and replacing equipment in remote locations;
- the inability to move income or capital; and
- currency exchange fluctuations and currency exchange restrictions, including exchange or similar controls that may limit our ability to convert local currency into U.S. dollars and transfer funds out of a local jurisdiction.

Our non-U.S. contract drilling operations are subject to various laws and regulations related to economic and trade sanctions in certain countries in which we operate, including laws and regulations relating to the import and export, equipment and operation of drilling units, currency conversions and repatriation, oil and gas exploration and development, taxation and social contributions of offshore earnings and earnings of expatriate personnel. We are also subject to the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) and other U.S. and non-U.S. laws and regulations governing our international operations. In addition, various state and municipal governments, universities and other investors have proposed or adopted divestment and other initiatives regarding investments including, with respect to state governments, by state retirement systems in companies that do business with countries that have been designated as state sponsors of terrorism by the U.S. State Department. 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, denial of export privileges, injunctions or seizures of assets. Investors could view any potential violations of OFAC regulations negatively, which could adversely affect our reputation and the market for our shares.

Governments in some countries have become increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and gas and other aspects of the oil and gas industries in their countries, including local content requirements for participating in tenders for certain drilling contracts. Many governments favor or effectively require the awarding of drilling contracts to local contractors or require nonlocal contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or require use of a local agent. In addition, government action, including initiatives by OPEC, may continue to cause oil or gas price volatility. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work by major energy companies and may continue to do so.

The shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Our import and export activities are governed by unique customs and export control laws and regulations in each of the countries where we operate. Moreover, many countries, including the U.S., control the import and export of certain goods, services and technology and impose related import and export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities, and we are also subject to the U.S. anti-boycott laws.

The laws and regulations concerning import and export activity, recordkeeping and reporting, import and 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. Ongoing economic challenges may increase some governments' efforts to enact, enforce, amend or interpret laws and regulations as a method to increase revenue. Shipments can be delayed and denied import or export for a variety of reasons, some of which are outside our control and some of which may result from failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime.

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 to conduct our operations on a timely basis, we might not be able to perform our obligations under our drilling contracts, which could allow our customers to cancel the contracts. If our customers cancel some of our drilling contracts, and we are unable to secure new drilling contracts on a timely basis and on substantially similar terms, it could have a material adverse effect on our business and on our financial position, results of operations or cash flows.

FAILURE TO COMPLY WITH ANTI-BRIBERY STATUTES, SUCH AS THE U.S. FOREIGN CORRUPT PRACTICES ACT AND THE U.K. BRIBERY ACT 2010, COULD RESULT IN FINES, CRIMINAL PENALTIES, DRILLING CONTRACT TERMINATIONS AND AN ADVERSE EFFECT ON OUR BUSINESS.

The U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act 2010 ("Bribery Act") and similar anti-bribery laws in other jurisdictions, generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. We operate in many parts of the world that have experienced corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. If we are found to be liable for violations under the FCPA, the Bribery Act or other similar laws, either due to our acts or omissions or due to the acts or omissions of others, including our partners in our various joint ventures and of the current or former officers, directors or employees of any companies we have acquired, we could suffer from civil and criminal penalties or other sanctions, which could have a material adverse effect on our business or our financial position, results of operations or cash flows. In addition, investors could negatively view potential violations, inquiries or allegations of misconduct under the FCPA, the Bribery Act or similar laws, which could adversely affect our reputation and the market for our shares.

We could also face fines, sanctions and other penalties from authorities in relevant jurisdictions, including prohibition of our participating in or curtailment of business operations in those jurisdictions and the seizure of rigs or other assets. Additionally, our business and results of operations could be adversely affected as a result of claims by customers, agents, shareholders, debt holders, other interest holders, current or former employees or other constituents of our company who, in connection with alleged or actual noncompliance with antibribery and related laws, may seek to impose penalties, seek remedies, terminate drilling contracts or take other actions adverse to our interests. Our business and results of operations may be adversely affected if we are required to dedicate significant time and resources to investigate and resolve allegations of misconduct, regardless of the merit of such allegations. Further, disclosure of the subject matter of any investigation could adversely affect our reputation and our ability to obtain new business with potential customers, to retain existing business with our current customers, to attract and retain employees and to access the capital markets.

WE ARE SUBJECT TO INVESTIGATIONS AND LITIGATION THAT, IF NOT RESOLVED IN OUR FAVOR AND NOT SUFFICIENTLY INSURED AGAINST, COULD HAVE A MATERIAL ADVERSE EFFECT ON US.

We are subject to a variety of disputes, investigations and litigation. Certain of our subsidiaries are subject to and have been involved in litigation with certain of our customers and other constituents. Certain of our subsidiaries are named as defendants in numerous lawsuits alleging personal grievances or injury, including as a result of exposure to asbestos or toxic fumes or resulting from other occupational diseases, such as silicosis, and various other medical issues that can remain undiscovered for a considerable amount of time. Some of these subsidiaries that have been put on notice of potential liabilities have no assets. Certain subsidiaries are subject to litigation relating to environmental damage. Our patent for dual-activity technology has been successfully challenged in certain jurisdictions. We are also subject to a number of significant tax disputes. We cannot predict the outcome of these investigations and cases or the potential costs

to resolve them. Insurance may not be applicable or sufficient in all cases, insurers may not remain solvent and policies may not be located. Suits against non-asset-owning subsidiaries have and may in the future give rise to alter ego or successor-in-interest claims against us and our asset-owning subsidiaries to the extent a subsidiary is unable to pay a claim or insurance is not available or sufficient to cover the claims. To the extent that one or more pending or future investigations or litigation matters is not resolved in our favor and is not covered by insurance, which could have a material adverse effect on our financial position, results of operations or cash flows.

WE ARE SUBJECT TO CYBERSECURITY RISKS AND THREATS AS WELL AS INCREASING REGULATION OF DATA PRIVACY AND SECURITY.

We depend on data and digital technologies to conduct our offshore and onshore operations, to collect payments from customers and to pay vendors and employees. Our data protection measures and measures taken by our customers and vendors may not prevent unauthorized access of information technology systems, and when such unauthorized access occurs, we, our customers or vendors may not detect the incident in time to prevent harm or damage. Threats to our information technology systems, and the systems of our customers and vendors, associated with cybersecurity risks and cyber-incidents or attacks continue to grow. Such threats may derive from human error, fraud or malice, social engineering on the part of employees or third parties, or may result from accidental technological failure. In addition, breaches to our systems and systems of our customers and vendors could go unnoticed for some period of time. Risks associated with these threats include disruptions of certain systems on our rigs; other impairments of our ability to conduct our operations; loss or ransom of intellectual property, proprietary information, personal identifiable information or customer and vendor data; disruption of our customers' and vendors' operations; misappropriation of assets; loss or damage to our customer and vendor data delivery systems; and increased costs to prevent, respond to or mitigate cybersecurity events. A breach could also originate from, or compromise, our customers' and vendors' or other third-party networks outside of our control. A breach may also result in legal claims or proceedings against us by our shareholders, employees, customers, vendors and governmental authorities, both U.S. and non-U.S. If such a cyber-incident were to occur, it could have a material adverse effect on our business or on our financial position, results of operations or cash flows.

In addition, governing data privacy and the unauthorized disclosure of personal data and confidential information pose increasingly complex compliance challenges and potential to elevate our costs under various laws and regulations, including (a) the European Union General Data Protection Regulation, the Data Protection Act, as revised, of the Cayman Islands, (b) the General Data Protection Law of Brazil and (c) the California Consumer Privacy Act, as well as (d) the amended Swiss Data Protection Act, which will enter into force in September 2023. Any failure by us to comply with these laws and regulations, including as a result of a security or privacy breach, could result in significant penalties, litigation and liabilities for us. Additionally, if we acquire a company that has violated or is not in compliance with applicable data protection laws, we may incur significant liabilities and penalties as a result.

ACTS OF TERRORISM, PIRACY AND POLITICAL AND SOCIAL UNREST COULD AFFECT THE MARKETS FOR DRILLING SERVICES.

Acts of terrorism 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. In addition, acts of terrorism, piracy and social unrest could lead to increased volatility in prices for crude oil and natural gas and could affect the markets for drilling services. Insurance premiums could increase and coverage may be unavailable in the future. Government regulations may effectively preclude us from engaging in business activities in certain countries. These regulations could be amended to cover countries where we currently operate or where we may wish to operate in the future. Our drilling contracts do not generally provide indemnification against loss of capital assets or loss of revenues resulting from acts of terrorism, piracy or political or social unrest. We have limited insurance for our assets providing coverage for physical damage losses resulting from certain risks, such as terrorist acts, piracy, vandalism, sabotage, civil unrest, expropriation and acts of war, and we do not carry insurance for loss of revenues resulting from such risks.

RISKS RELATED TO TAXES

A CHANGE IN TAX LAWS, TREATIES OR REGULATIONS, OR THEIR INTERPRETATION, OF ANY COUNTRY IN WHICH WE HAVE OPERATIONS, ARE INCORPORATED OR ARE RESIDENT COULD RESULT IN A HIGHER EFFECTIVE TAX RATE ON OUR CONSOLIDATED EARNINGS AND INCREASE OUR CASH TAX PAYMENTS.

We are subject to changes in applicable tax laws, treaties or regulations in the jurisdictions in which we operate and earn income, and such changes could include laws or policies directed toward companies organized in jurisdictions with low tax rates with the intent to increase the tax burden. The Organization for Economic Co-operation and Development, for example, issued its action plan of tax reform measures that called for member states to take action to prevent base erosion and profit shifting. Some of these measures impact transfer pricing, requirements to qualify for tax treaty benefits, and the definition of permanent establishments depending on each jurisdiction's adoption and interpretation of such proposals. Respective countries, including Switzerland, have adopted various measures into their own tax laws. In addition, the European Union has issued Anti-Tax Avoidance Directives and proposed directives that required or require member states to adopt specific tax reform measures, some of which relate to a 15 percent minimum tax. Other tax jurisdictions in which we operate have expressed an intent to implement similar measures. Any material change to tax laws, treaties, regulations or policies, their interpretation or application, or the adoption of new interpretations of existing laws and rulings, in any of the jurisdictions in which we operate, are incorporated or resident, could result in a higher effective tax rate on our worldwide earnings and such change could have a significant adverse effect on our financial position, results of operations or cash flows.

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 KEY SUBSIDIARIES IN CERTAIN COUNTRIES COULD RESULT IN A HIGHER EFFECTIVE TAX RATE ON OUR CONSOLIDATED EARNINGS AND INCREASE OUR CASH TAX PAYMENTS.

We are subject to tax laws, treaties and regulations in the countries in which we operate and earn income. Our income taxes are based on the applicable tax laws and tax rates in effect in the countries in which we operate and earn income as well as upon our operating structures in these countries. Our income tax returns are subject to review and examination in these jurisdictions, and 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 key subsidiaries in certain countries; or if the terms of certain income 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 effective tax rate on our worldwide earnings could increase substantially and our earnings and cash flows from operations could be materially adversely affected. For example, we believe that neither we nor our non-U.S. subsidiaries, other than those that report a U.S. trade or business or a U.S. permanent establishment, were or are engaged in a trade or business in the U.S. or, if applicable, maintained or maintain a permanent establishment in the U.S. The determination of the aforementioned, among other things, involves considerable uncertainty. If the U.S. Internal Revenue Service were to disagree, then we could be subject to additional U.S. corporate income and branch profits taxes on the portion of our earnings effectively connected to such U.S. business or, if applicable, attributable to such U.S. permanent establishment during the period in which this was considered to have occurred. If this occurs, our effective tax rate on worldwide earnings for that period could increase substantially, we could be subject to assessments in previously filed returns that remain open to audit and our earnings and cash flows from operations for that period could be adversely affected.

RISKS RELATED TO OUR JURISDICTION OF ORGANIZATION AND GOVERNING DOCUMENTS

AS A SWISS CORPORATION, OUR FLEXIBILITY MAY BE LIMITED WITH RESPECT TO CERTAIN ASPECTS OF CAPITAL MANAGEMENT AND SWIFT IMPLEMENTATION OF CERTAIN INITIATIVES OR STRATEGIES.

Under Swiss law, our shareholders may approve an authorized share capital that allows the board of directors to issue new shares without additional shareholder approval within a period of up to two years and for up to a maximum of 50 percent of a company's issued share capital. The authorized share capital approved by our shareholders at the May 2022 annual general meeting will expire on May 12, 2024. Our currently available authorized share capital is approximately 13.5 percent of our issued share capital as of February 14, 2023. Accordingly, shareholders at our annual general meeting in May 2023 may be requested to approve a renewal and an increase in authorized share capital. Subject to certain exceptions, Swiss law also grants preemptive rights to existing shareholders to subscribe for new issuances of shares. Further, Swiss law does not provide as much flexibility in the various terms that can attach to different classes of shares as the laws of some other jurisdictions. Swiss law also reserves for shareholder approval certain corporate actions, such as approval of dividends, over which a board of directors would have authority in some other jurisdictions. These Swiss law requirements relating to our capital management may limit our flexibility to swiftly implement certain initiatives or strategies, and situations may arise where greater flexibility would have provided substantial benefits to our shareholders.

We are required, from time to time, to evaluate the carrying amount of our investments in affiliates, as presented on our Swiss standalone balance sheet. If we determine that the carrying amount of any such investment exceeds its fair value, we may conclude that such investment is impaired. Any recognized loss associated with such a non-cash impairment could result in our net assets no longer covering our statutory share capital and statutory capital reserves. Under Swiss law, if our net assets cover less than 50 percent of our statutory share capital and the non-distributable part of the statutory capital and profit reserves, the board of directors must take appropriate measures or, to the extent such measures fall within the competence of the general meeting of shareholders, convene a general meeting of shareholders, and propose measures to remedy such a capital loss. Appropriate measures depend on the relevant circumstances and the magnitude of the recognized loss and may include seeking shareholder approval for offsetting the aggregate loss, or a portion thereof, with our statutory capital reserves, including qualifying additional paid-in capital otherwise available for distributions to shareholders, or raising new equity. Depending on the circumstances, we may also need to use qualifying additional paid-in capital available for distributions in order to reduce our accumulated net loss and such use might reduce our ability to make distributions without subjecting our shareholders to Swiss withholding tax.

Distributions to shareholders in the form of a par value reduction and dividend distributions out of qualifying additional paid-in capital are currently not subject to the 35 percent Swiss federal withholding tax. However, the Swiss withholding tax rules could be changed in the future, and any such change may adversely affect us or our shareholders. In addition, over the long term, the amount of par value available for us to use for par value reductions or the amount of qualifying additional paid-in capital available for us to pay out as distributions is limited. If we are unable to make a distribution through a reduction in par value, or out of qualifying additional paid-in capital as shown on Transocean Ltd.'s standalone Swiss statutory financial statements, we may not be able to make distributions without subjecting our shareholders to Swiss withholding taxes.

Under Swiss tax law, repurchases of shares for the purposes of capital reduction are treated as a partial liquidation subject to a 35 percent Swiss withholding tax based on the difference between the repurchase price and the related amount of par value and the related amount of qualifying additional paid-in capital, if any. At our 2009 annual general meeting, our shareholders approved the repurchase of up to CHF 3.50 billion of our shares for cancellation under the share repurchase program. If we repurchase shares, we expect to use an alternative procedure pursuant to which we repurchase shares via a "virtual second trading line" from market players, such as banks and

institutional investors, who are generally entitled to receive a full refund of the Swiss withholding tax. The use of such “virtual second trading line” with respect to share repurchase programs is subject to the approval of the competent Swiss tax and other authorities. We may not be able to repurchase as many shares as we would like to repurchase for purposes of capital reduction on the “virtual second trading line” without subjecting the selling shareholders to Swiss withholding taxes.

WE ARE SUBJECT TO ANTI-TAKEOVER PROVISIONS.

Our articles of association and Swiss law contain provisions that could prevent or delay an acquisition of the company by means of a tender offer, a proxy contest or otherwise. Actions taken under such provisions may adversely affect prevailing market prices for our shares, and could, among other things:

- provide that the board of directors is authorized, subject to obtaining shareholder approval every two years, at any time during a maximum two-year period, which under our current authorized share capital will expire on May 12, 2024, to issue a specified number of shares, which under our current authorized share capital is approximately 13.5 percent of the share capital registered in the commercial register as of February 14, 2023, and to limit or withdraw the preemptive rights of existing shareholders in various circumstances;
- provide for a conditional share capital that authorizes the issuance of additional shares up to a maximum amount of approximately 17.9 percent of the share capital registered in the commercial register as of February 14, 2023, without obtaining additional shareholder approval through: (1) the exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted in connection with bonds, options, warrants or other securities newly or already issued in national or international capital markets or new or already existing contractual obligations by or of any of our subsidiaries; or (2) in connection with the issuance of shares, options or other share-based awards;
- provide that any shareholder who wishes to propose any business or to nominate a person or persons for election as director at any annual meeting may only do so if we are given advance notice;
- provide that directors can be removed from office only by the affirmative vote of the holders of at least 66 2/3 percent of the shares entitled to vote;
- provide that a merger or demerger transaction requires the affirmative vote of the holders of at least 66 2/3 percent of the shares represented at the meeting and provide for the possibility of a so-called cash-out or squeeze-out merger if the acquirer controls 90 percent of the outstanding shares entitled to vote at the meeting;
- provide that any action required or permitted to be taken by the holders of shares must be taken at a duly called annual or extraordinary general meeting of shareholders;
- limit the ability of our shareholders to amend or repeal some provisions of our articles of association; and
- limit transactions between us and an “interested shareholder,” which is generally defined as a shareholder that, together with its affiliates and associates, beneficially, directly or indirectly, owns 15 percent or more of our shares entitled to vote at a general meeting.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The description of our property included under “Item 1. Business” is incorporated by reference herein. We maintain offices, land bases and other facilities worldwide, most of which we lease, including principal executive offices in Steinhausen, Switzerland, and corporate offices in Houston, Texas, and the Cayman Islands. Our remaining offices and bases are located in various countries in North America, Europe, South America, Asia and Africa.

ITEM 3. LEGAL PROCEEDINGS

We have certain actions, claims and other matters pending as discussed and reported in “Part II. Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note 12—Commitments and Contingencies” and “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Other Matters—Regulatory Matters” in this annual report. We are also involved in various tax matters as described in “Part II. Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note 10—Income Taxes” and in “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Other Matters—Tax matters” in this annual report. All such actions, claims, tax and other matters disclosed therein are incorporated herein by reference.

As of December 31, 2022, we were involved in a number of other lawsuits, regulatory matters, disputes and claims, asserted and unasserted, all of which have arisen in the ordinary course of our business and for which we do not expect the liability, if any, to have a material adverse effect on our consolidated financial position, results of operations or cash flows. We cannot predict with certainty the outcome or effect of any of the matters referred to above or of any such other pending, threatened or possible litigation or legal proceedings. We can provide no assurance that our beliefs or expectations as to the outcome or effect of any lawsuit or claim or dispute will prove correct, and the eventual outcome of these matters could materially differ from management’s current estimates.

On December 17, 2021, Transocean Offshore Deepwater Drilling Inc., our wholly owned subsidiary, received a letter from the U.S. Department of Justice (the “DOJ”) related to alleged violations by our subsidiary of its Clean Water Act (“CWA”) National Pollutant Discharge Elimination System permit (“Permit”). The alleged violations, involving seven of our drillships, were identified by the U.S.

Environmental Protection Agency (“EPA”) following an initial inspection in 2018 of our compliance with the Permit and the CWA and relate to deficiencies with respect to records retention, reporting requirements, discharges, permit limits, inspections and maintenance, and the submission of monitoring reports. In connection with the initial EPA inspection, we initiated modifications to our Permit and CWA compliance processes and maintained a dialogue with the EPA regarding the design and implementation of enhancements to these processes. At the DOJ’s invitation, in an effort to resolve the matter, we initiated settlement discussions with the DOJ, which remain ongoing, and the enforcement action will likely result in our agreeing to take or continue to take certain corrective actions to ensure current and future Permit and CWA compliance and to pay a monetary penalty, which we believe at this time would be immaterial. We do not believe that the enforcement action would have a material adverse effect on our consolidated financial position, results of operations or cash flow. If our current expectations relating to these costs prove to be inaccurate, future expenditures may exceed our accrued amounts.

In addition to the legal proceedings described above, we may from time to time identify other matters that we monitor through our compliance program or in response to events arising generally within our industry and in the markets where we do business. We evaluate matters on a case by case basis, investigate allegations in accordance with our policies and cooperate with applicable governmental authorities. Through the process of monitoring and proactive investigation, we strive to ensure no violation of our policies, Code of Integrity or law has occurred, or will occur; however, we can provide no assurance as to the outcome of these matters.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

We have included the following information, presented as of February 14, 2023, on our executive officers for purposes of U.S. securities laws in Part I of this report in reliance on General Instruction G(3) to Form 10-K. The board of directors elects the officers of the Company, generally on an annual basis. There is no family relationship between any of our executive officers.

Officer		Office	Age as of February 14, 2023
Jeremy D. Thigpen	(a)	Chief Executive Officer	48
Keelan Adamson	(a)	President and Chief Operating Officer	53
Howard E. Davis		Executive Vice President, Chief Administrative Officer and Chief Information Officer	64
Brady K. Long		Executive Vice President and General Counsel	50
Mark L. Mey	(a)	Executive Vice President and Chief Financial Officer	59
David Tonnel		Senior Vice President and Chief Accounting Officer	53

(a) Member of our executive management team for purposes of Swiss law.

Jeremy D. Thigpen is Chief Executive Officer and a member of the Company's board of directors. Before joining the Company in this position in April 2015, Mr. Thigpen served as Senior Vice President and Chief Financial Officer at National Oilwell Varco, Inc. from December 2012 to April 2015. At National Oilwell Varco, Inc., Mr. Thigpen also served as President, Downhole and Pumping Solutions from August 2007 to December 2012, as President of the Downhole Tools Group from May 2003 to August 2007 and as manager of the Downhole Tools Group from April 2002 to May 2003. From 2000 to 2002, Mr. Thigpen served as the Director of Business Development and Special Assistant to the Chairman for National Oilwell Varco, Inc. Mr. Thigpen earned a Bachelor of Arts degree in Economics and Managerial Studies from Rice University in 1997, and he completed the Program for Management Development at Harvard Business School in 2001.

Keelan Adamson is President and Chief Operating Officer of the Company. Before being named to his current position in February 2022, Mr. Adamson served as Executive Vice President and Chief Operations Officer from August 2018 to February 2022, as Senior Vice President, Operations from October 2017 to July 2018 and as Senior Vice President, Operations Integrity and HSE, from June 2015 to October 2017. Since 2010, Mr. Adamson served in multiple executive positions with responsibilities spanning Engineering and Technical Services, Major Capital Projects, Human Resources, and more recently, Operations Integrity and HSE. Mr. Adamson started his career as a drilling engineer with BP Exploration in 1991 and joined Transocean in July 1995. In addition to several management assignments in the U.K., Asia, and Africa, he also held leadership roles in Sales and Marketing, Well Construction and Technology, and as Managing Director for operations in North America, Canada and Trinidad. Mr. Adamson earned a bachelor's degree in Aeronautical Engineering from The Queens University of Belfast and completed the Advanced Management program at Harvard Business School in 2016.

Howard E. Davis is Executive Vice President, Chief Administrative Officer and Chief Information Officer of the Company. Before joining the Company in this position in August 2015, Mr. Davis served as Senior Vice President, Chief Administrative Officer and Chief Information Officer of National Oilwell Varco, Inc. from March 2005 to April 2015 and as Vice President, Chief Administrative Officer and Chief Information Officer from August 2002 to March 2005. Mr. Davis earned a bachelor's degree from University of Kentucky in 1980, and he completed the Advanced Management Program at Harvard Business School in 2005.

Brady K. Long is Executive Vice President and General Counsel of the Company. Before being named to his current position in March 2018, Mr. Long served as Senior Vice President and General Counsel from November 2015 to March 2018. From 2011 to November 2015, when Mr. Long joined the Company, he served as Vice President—General Counsel and Secretary of Ensco plc, which acquired Pride International, Inc. where he had served as Vice President, General Counsel and Secretary since August 2009. Mr. Long joined Pride International, Inc. in June 2005 as Assistant General Counsel and served as Chief Compliance Officer from June 2006 to February 2009. He was director of Transocean Partners LLC from May 2016 until December 2016. Mr. Long previously practiced corporate and securities law with the law firm of Bracewell LLP. Mr. Long earned a Bachelor of Arts degree from Brigham Young University in 1996, a Juris Doctorate degree from the University of Texas School of Law in 1999 and an Executive LLM in Taxation from New York University in 2019.

Mark L. Mey is Executive Vice President and Chief Financial Officer of the Company. Before joining the Company in this position in May 2015, Mr. Mey served as Executive Vice President and Chief Financial Officer of Atwood Oceanics, Inc. from January 2015 to May 2015, prior to which he served as Senior Vice President and Chief Financial Officer from August 2010. Mr. Mey was director of Transocean Partners LLC from June 2015 until December 2016. He served as Director, Senior Vice President and Chief Financial Officer of Scorpion Offshore Ltd. from August 2005 to July 2010. Prior to 2005, Mr. Mey held various senior financial and other roles in the drilling and financial services industries, including 12 years with Noble Corporation. He earned an Advanced Diploma in Accounting and a Bachelor of Commerce degree from the University of Port Elizabeth in South Africa in 1985, and he is a chartered accountant. Additionally, Mr. Mey completed the Harvard Business School Executive Advanced Management Program in 1998.

David Tonnel is Senior Vice President and Chief Accounting Officer. Before being named to his current position in April 2017, he served as Senior Vice President, Supply Chain and Corporate Controller from October 2015 to April 2017, as Senior Vice President, Finance and Controller from March 2012 to October 2015 and as Senior Vice President of the Europe and Africa Unit from June 2009 to March 2012. Mr. Tonnel served as Vice President of Global Supply Chain from November 2008 to June 2009, as Vice President of Integration and Process Improvement from November 2007 to November 2008, and as Vice President and Controller from February 2005 to November 2007. Prior to February 2005, he served in various financial roles, including Assistant Controller; Finance Manager, Asia Australia Region; and Controller, Nigeria. Mr. Tonnel joined the Company in 1996 after working for Ernst & Young in France as Senior Auditor. Mr. Tonnel earned a Master of Science degree in Management from HEC in Paris, France in 1991.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET FOR SHARES OF OUR COMMON EQUITY

Our shares are listed on the New York Stock Exchange under the ticker symbol "RIG." On February 14, 2023, we had 726,263,759 shares outstanding and 4,893 holders of record of our shares.

SHAREHOLDER MATTERS

Swiss tax consequences to our shareholders

Overview—The tax consequences discussed below are not a complete analysis or listing of all the possible tax consequences that may be relevant to our shareholders. Shareholders should consult their own tax advisors in respect of the tax consequences related to receipt, ownership, purchase or sale or other disposition of our shares and the procedures for claiming a refund of withholding tax.

Swiss income tax on dividends and similar distributions—A non-Swiss holder is not subject to Swiss income taxes on dividend income and similar distributions in respect of our shares, unless the shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss holder. However, dividends and similar distributions are subject to Swiss withholding tax, subject to certain exceptions. See "**Swiss withholding tax on dividends and similar distributions to shareholders.**"

Swiss wealth tax—A non-Swiss holder is not subject to Swiss wealth taxes unless the holder's shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss holder.

Swiss capital gains tax upon disposal of shares—A non-Swiss holder is not subject to Swiss income taxes for capital gains unless the holder's shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss holder. In such case, the non-Swiss holder is required to recognize capital gains or losses on the sale of such shares, which are subject to cantonal, communal and federal income tax.

Swiss withholding tax on dividends and similar distributions to shareholders—A Swiss withholding tax of 35 percent is due on dividends and similar distributions to our shareholders from us, regardless of the place of residency of the shareholder, subject to the exceptions discussed under "**Exemption**" below. We will be required to withhold at such rate and remit on a net basis any payments made to a holder of our shares and pay such withheld amounts to the Swiss federal tax authorities.

Exemption—Distributions to shareholders in the form of a par value reduction or out of qualifying additional paid-in capital for Swiss statutory purposes are exempt from Swiss withholding tax. On December 31, 2022, the aggregate amount of par value of our outstanding shares was CHF 72.2 million, equivalent to approximately \$78.1 million, and the aggregate amount of qualifying additional paid-in capital of our outstanding shares was CHF 14.0 billion, equivalent to approximately \$15.1 billion. Consequently, we expect that a substantial amount of any potential future distributions may be exempt from Swiss withholding tax.

Refund available to Swiss holders—A Swiss tax resident, corporate or individual, can recover the withholding tax in full if such resident is the beneficial owner of our shares at the time the dividend or other distribution becomes due and provided that such resident reports the gross distribution received on such resident's income tax return, or in the case of an entity, includes the taxable income in such resident's income statement.

Refund available to non-Swiss holders—If the shareholder that receives a distribution from us is not a Swiss tax resident, does not hold our shares in connection with a permanent establishment or a fixed place of business maintained in Switzerland, and resides in a country that has concluded a treaty for the avoidance of double taxation with Switzerland for which the conditions for the application and protection of and by the treaty are met, then the shareholder may be entitled to a full or partial refund of the withholding tax described above. Switzerland has entered into bilateral treaties for the avoidance of double taxation with respect to income taxes with numerous countries, including the United States ("U.S."), whereby under certain circumstances all or part of the withholding tax may be refunded. The procedures for claiming treaty refunds, and the time frame required for obtaining a refund, may differ from country to country.

Refund available to U.S. residents—The Swiss-U.S. tax treaty provides that U.S. residents eligible for benefits under the treaty can seek a refund of the Swiss withholding tax on dividends for the portion exceeding 15 percent, leading to a refund of 20 percent, or a 100 percent refund in the case of qualified pension funds. As a general rule, the refund will be granted under the treaty if the U.S. resident can show evidence of the following: (a) beneficial ownership, (b) U.S. residency and (c) meeting the U.S.-Swiss tax treaty's limitation on benefits requirements. The claim for refund must be filed with the Swiss federal tax authorities (Eigerstrasse 65, 3003 Bern, Switzerland), not later than December 31 of the third year following the year in which the dividend payments became due. The relevant Swiss tax form is Form 82C for companies, 82E for other entities and 82I for individuals. These forms can be obtained from any Swiss Consulate General in the U.S. or from the Swiss federal tax authorities at the above address or can be downloaded from the webpage of the Swiss federal tax administration. Each form must be completed in triplicate, with each copy duly completed and signed before a notary public in the U.S. Evidence that the withholding tax was withheld at the source must also be included.

Stamp duties in relation to the transfer of shares—The purchase or sale of our shares may be subject to Swiss federal stamp taxes on the transfer of securities irrespective of the place of residency of the purchaser or seller if the transaction takes place through or with a Swiss bank or other Swiss securities dealer, as those terms are defined in the Swiss Federal Stamp Tax Act and no exemption applies in the specific case. If a purchase or sale is not entered into through or with a Swiss bank or other Swiss securities dealer, then no stamp tax will be due. The applicable stamp tax rate is 0.075 percent for each of the two parties to a transaction and is calculated based on the purchase price or sale proceeds. If the transaction does not involve cash consideration, the transfer stamp duty is computed on the basis of the market value of the consideration.

Share repurchases

Shares repurchased for the purpose of capital reduction are treated as a partial liquidation subject to a 35 percent Swiss withholding tax based on the difference between the repurchase price and the related amount of par value and the related amount of qualifying additional paid-in capital, if any. We would be required to remit on a net basis the purchase price with the Swiss withholding tax deducted to a holder of our shares and pay the withholding tax to the Swiss federal tax authorities. However, for such repurchased shares, the portions of the repurchase price that are attributable to the par value and the qualifying additional paid-in capital for Swiss statutory reporting purposes are not subject to the Swiss withholding tax.

If we repurchase shares, we expect to use an alternative procedure pursuant to which we repurchase our shares via a "virtual second trading line" from market players, such as banks and institutional investors, who are generally entitled to receive a full refund of the Swiss withholding tax. The use of such "virtual second trading line" with respect to share repurchase programs is subject to approval of the competent Swiss tax and other authorities. We may not be able to repurchase as many shares as we would like to repurchase for purposes of capital reduction on the "virtual second trading line" without subjecting the selling shareholders to Swiss withholding taxes. The repurchase of shares for purposes other than for cancellation, such as to retain as treasury shares for use in connection with stock incentive plans, convertible debt or other instruments within certain periods, are not generally subject to Swiss withholding tax. In addition, in December 2022, the U.S. Department of the Treasury released proposed regulations under the Inflation Reduction Act, whereby an excise tax of one percent would be imposed on stock repurchases in the event one of our U.S. subsidiaries funds the stock repurchase.

Under Swiss corporate law, the right of a company and its subsidiaries to repurchase and hold its own shares is limited. A company may repurchase its shares to the extent it has freely distributable reserves as shown on its Swiss statutory balance sheet in the amount of the purchase price and if the aggregate par value of all shares held by the company as treasury shares does not exceed 10 percent of the company's share capital recorded in the Swiss Commercial Register, whereby for purposes of determining whether the 10 percent threshold has been reached, shares repurchased under a share repurchase program for cancellation purposes authorized by the company's shareholders are disregarded. As of February 14, 2023, Transocean Inc., our wholly owned subsidiary, held as treasury shares 8.90 percent of our issued shares. Our board of directors could, to the extent freely distributable reserves are available, authorize the repurchase of additional shares for purposes other than cancellation, such as to retain treasury shares for use in satisfying our obligations in connection with incentive plans or other rights to acquire our shares. Based on the number of shares held as treasury shares as of February 14, 2023, 1.10 percent of our issued shares could be repurchased for purposes of retention as additional treasury shares. Although our board of directors has not approved such a share repurchase program for the purpose of retaining repurchased shares as treasury shares, if it did so, any such shares repurchased would be in addition to any shares repurchased under the currently approved program.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (a)	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions) (a)
October 2022	—	\$ —	—	\$ 3,508
November 2022	—	—	—	3,508
December 2022	—	—	—	3,508
Total	—	\$ —	—	\$ 3,508

- (a) In May 2009, at our annual general meeting, our shareholders approved and authorized our board of directors, at its discretion, to repurchase for cancellation any amount of our shares for an aggregate purchase price of up to CHF 3.50 billion. At December 31, 2022, the authorization remaining under the share repurchase program was for the repurchase of our outstanding shares for an aggregate cost of up to CHF 3.24 billion, equivalent to \$3.51 billion. The share repurchase program may be suspended or discontinued by our board of directors or company management, as applicable, at any time. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources and uses of liquidity."

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the information contained in "Part I. Item 1. Business," "Part I. Item 1A. Risk Factors" and the audited consolidated financial statements and the notes thereto included under "Item 8. Financial Statements and Supplementary Data" elsewhere in this annual report. The following discussion of our results of operations and liquidity and capital resources includes comparisons for the years ended December 31, 2022 and 2021. For a discussion, including comparisons, of our results of operations and liquidity and capital resources for the years ended December 31, 2021 and 2020, see "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our annual report on Form 10-K for the year ended December 31, 2021, filed with the United States ("U.S.") Securities and Exchange Commission on February 23, 2022.

BUSINESS

Transocean Ltd. (together with its subsidiaries and predecessors, unless the context requires otherwise, "Transocean," "we," "us" or "our") is a leading international provider of offshore contract drilling services for oil and gas wells. As of February 14, 2023, we owned or had partial ownership interests in and operated 37 mobile offshore drilling units, consisting of 27 ultra-deepwater floaters and 10 harsh environment floaters. Additionally, as of February 14, 2023, we were constructing one ultra-deepwater drillship and held a noncontrolling ownership interest in a company that is constructing one ultra-deepwater drillship.

We provide, as our primary business, contract drilling services in a single operating segment, which involves contracting our mobile offshore drilling rigs, related equipment and work crews to drill oil and gas wells. We specialize in technically demanding regions of the global offshore drilling business with a particular focus on ultra-deepwater and harsh environment drilling services. Our drilling fleet is one of the most versatile fleets in the world, consisting of drillships and semisubmersible floaters used in support of offshore drilling activities and offshore support services on a worldwide basis.

We perform contract drilling services by deploying our high-specification fleet in a single, global market that is geographically dispersed in oil and gas exploration and development areas throughout the world. Although rigs can be moved from one region to another, the cost of moving rigs and the availability of rig-moving vessels may cause the supply and demand balance to fluctuate somewhat between regions. Still, significant variations between regions do not tend to persist long term because of rig mobility. The location of our rigs and the allocation of resources to operate, build or upgrade our rigs are determined by the activities and needs of our customers.

SIGNIFICANT EVENTS

Fleet expansion—In October 2022, we completed the construction of and placed into service the ultra-deepwater floater *Deepwater Atlas*. In November 2022, we made a cash contribution of \$15 million associated with our noncontrolling ownership interest in Liquila Ventures Ltd. (together with its subsidiaries, "Liquila"), a Bermuda company formed to construct, own and operate the newbuild ultra-deepwater drillship *Deepwater Aquila*. See "—Liquidity and Capital Resources—Sources and uses of liquidity" and "—Liquidity and Capital Resources—Drilling fleet."

Secured debt issuance—In January 2023, we issued \$525 million aggregate principal amount of 8.375% senior secured notes due February 2028 (the "8.375% Senior Secured Notes"), and we received \$515 million aggregate cash proceeds, net of issue costs. In January 2023, we issued \$1.175 billion aggregate principal amount of 8.75% senior secured notes due February 2030 (the "8.75% Senior Secured Notes"), and we received \$1.157 billion aggregate cash proceeds, net of issue costs. See "—Liquidity and Capital Resources—Sources and uses of liquidity."

Debt and warrant issuance—In September 2022, we issued \$300 million aggregate principal amount of 4.625% senior guaranteed exchangeable bonds due September 2029 (the "4.625% Senior Guaranteed Exchangeable Bonds") in connection with (a) the issuance for aggregate cash proceeds of \$188 million and (b) the exchanges (the "2022 Private Exchange") of certain of the 0.50% exchangeable senior bonds due January 2023 (the "0.50% Exchangeable Senior Bonds") and the 7.25% senior notes due November 2025 (the "7.25% Senior Notes"). In connection with the 2022 Private Exchange, we also issued 22.2 million warrants to purchase Transocean Ltd. shares. See "—Liquidity and Capital Resources—Sources and uses of liquidity."

Shipyard Loans—In June 2022, we borrowed \$349 million under one of two credit agreements (each, a "Shipyard Loan," and together, the "Shipyard Loans") and made a cash payment of \$46 million to satisfy the final milestone payment due upon delivery of *Deepwater Atlas*. In December 2022, we borrowed \$90 million under the second Shipyard Loan and made a cash payment of \$325 million to satisfy the final milestone payment due upon delivery of *Deepwater Titan*. We recorded the Shipyard Loan for *Deepwater Atlas* and *Deepwater Titan*, net of imputed interest, and the corresponding non-cash capital additions of \$300 million and \$82 million, respectively. See "—Liquidity and Capital Resources—Sources and uses of liquidity" and "—Liquidity and Capital Resources—Drilling fleet."

Early debt retirement—In January 2023, in connection with the issuance of the 8.75% Senior Secured Notes, we made an aggregate payment of \$1.156 billion, including a make-whole premium, to redeem the remaining outstanding \$311 million, \$240 million, \$250 million, and \$336 million aggregate principal amount of the 5.875% senior secured notes due January 2024 (the "5.875% Senior Secured Notes"), the 7.75% senior secured notes due October 2024 (the "7.75% Senior Secured Notes"), the 6.25% senior secured notes

due December 2024 (the “6.25% Senior Secured Notes”) and the 6.125% senior secured notes due August 2025 (the “6.125% Senior Secured Notes”), respectively.

In January 2023, we made a cash payment of \$121 million to redeem an equivalent aggregate principal amount of the outstanding 5.375% senior secured notes due May 2023 (the “5.375% Senior Secured Notes”), and the trustee notified holders of our intent to redeem the remaining outstanding \$122 million aggregate principal amount of notes for an equivalent aggregate cash payment, expected to be made on February 24, 2023.

In July 2022, we made an aggregate cash payment of \$27 million to redeem an equivalent aggregate principal amount of the then outstanding 3.80% senior notes due October 2022 (the “3.80% Senior Notes”). In January 2022, we made an aggregate cash payment of \$18 million to redeem an equivalent aggregate principal amount of the 5.52% senior secured notes due May 2022 (the “5.52% Senior Secured Notes”). See “—Operating Results” and “—Liquidity and Capital Resources—Sources and uses of liquidity.”

Share issuance—In June 2021, we commenced an at-the-market equity offering program (the “ATM Program”). In the year ended December 31, 2022, we received aggregate cash proceeds of \$263 million, net of issue costs, for the aggregate sale of 61.0 million shares under the ATM Program. See “—Liquidity and Capital Resources—Sources and uses of liquidity.”

Secured credit facility amendment—In July 2022, we amended the bank credit agreement for our Secured Credit Facility (as amended from time to time, the “Secured Credit Facility”) to, among other things, extend the maturity date from June 22, 2023 to June 22, 2025 and reduce the borrowing capacity from \$1.33 billion to \$774 million through June 22, 2023, and thereafter, reduce the borrowing capacity to \$600 million through June 22, 2025. See “—Liquidity and Capital Resources—Sources and uses of liquidity.”

OUTLOOK

Drilling market—Our industry outlook is positive based upon several fundamental factors, including the increased global demand for hydrocarbons combined with a diminishing global supply, the latter being the result of the natural decline in production of existing oil and gas fields compounded by the significant underinvestment in reserve replacement by oil and gas producers, and additional constraints imposed on industry participants by the governments of oil and gas producing nations as well as investors. Additionally, the Russian invasion of Ukraine and the related economic sanctions have highlighted the criticality of energy reliability and security across Europe, the U.S. and elsewhere. Due to these and other factors, oil prices have increased materially over the past two years and even reached 10-year highs.

Although the price for both prompt and longer-dated barrels continues to exhibit volatility that reflects market concerns about inflationary trends, economic recession and the potential for demand destruction, these commodity prices are currently, and are expected to remain, at levels that are robustly supportive of investment in deepwater and harsh environment exploration and development projects. Additionally, rig attrition resulting from significantly reduced offshore contracting activity over the last several years has resulted in a much smaller global fleet of floating rigs that is available to meet customer demands, specifically with respect to the highest specification drilling units required by many of our customers for their projects. Consequently, our outlook for the offshore drilling industry overall remains positive, particularly for high-specification drilling assets, such as those we own and operate.

Our customers continue to show interest in deepwater and harsh environment offshore projects as evidenced by the restarting of delayed projects and commencement of new drilling campaigns. Licensing activity has also increased as energy companies look to explore and develop new prospects. This has resulted in more tendering activity during the last half of 2022 and into 2023. Several multi-year tenders for work in Brazil, West Africa, Asia and Australia are expected to be awarded in the first nine months of 2023. We have recently observed that the commencement of certain projects or parts of a project is, in some cases, being delayed due to global supply chain constraints adversely impacting the timely availability of necessary equipment and supplies. We currently believe that these temporary circumstances will gradually diminish over the short to medium term.

Offshore drilling activity is increasing in every ultra-deepwater geographic sector. South America, the U.S. Gulf of Mexico and, increasingly, West Africa remain key ultra-deepwater market sectors. We have seen significant increases in dayrates for projects in the U.S. Gulf of Mexico and, particularly, in Brazil, trends that we expect will continue. In Norway, the largest market for harsh environment rigs, we do not expect many new projects to commence before late 2023, but we expect demand for rigs in this market will accelerate thereafter through 2026 due to previously enacted Norwegian tax incentive programs. Given the highly regulated nature of the Norwegian market and the limited number of rigs qualified to operate in it, we anticipate an increase in dayrates commensurate with the increased demand. We are also encouraged by projects being announced in the United Kingdom, Namibia, South Africa and Australia that require high-specification, harsh environment semisubmersibles. As expected, these opportunities are attracting rigs currently working in Norway, thereby further reducing rig supply and potentially accelerating dayrate increases for the remaining assets in the region.

We expect global energy demand to continue to increase in both member and non-member countries of the Organization for Economic Co-operation and Development. Forecasts indicate that non-member countries will experience the largest population growth and require the most significant improvement in living standards, compounding the effect on energy demand for the foreseeable future. We believe that this increase in global energy demand will result in meaningful incremental demand for oil and gas. In the context of the pronounced decline in investment in exploration and production activities over the last decade, we anticipate that a prolonged period of elevated hydrocarbon prices and investment in drilling activity will be necessary to meet this demand.

With deepwater and harsh environment fields generating robust economic returns versus other hydrocarbon sources, combined with their comparably low carbon intensity of production, we expect a significant portion of the required spending in fossil fuel development will be allocated to deepwater and harsh environment projects. As there are now fewer high-specification offshore drilling rigs capable of operating in these markets, we believe that this increase in demand will support further improvement of dayrates.

As of February 9, 2023, our contract backlog was \$8.54 billion compared to \$7.27 billion as of October 13, 2022. The risks of drilling project delays, contract renegotiations and contract terminations and cancellations have diminished as oil prices have improved and stabilized.

Fleet status—We refer to the availability of our rigs in terms of the uncommitted fleet rate. The uncommitted fleet rate is defined as the number of uncommitted days divided by the total number of rig calendar days in the measurement period, expressed as a percentage. An uncommitted day is defined as a calendar day during which a rig is idle or stacked, is not contracted to a customer and is not committed to a shipyard. The uncommitted fleet rates exclude the effect of priced options. As of February 9, 2023, our uncommitted fleet rates for each of the five years in the period ending December 31, 2027 were as follows:

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Uncommitted fleet rate					
Ultra-deepwater floaters	39 %	56 %	67 %	76 %	84 %
Harsh environment floaters	42 %	71 %	89 %	90 %	96 %

PERFORMANCE AND OTHER KEY INDICATORS

Contract backlog—We believe our industry leading contract backlog sets us apart from the competition and provides indicators of our future revenue-earning opportunities. Contract backlog is defined as the maximum contractual operating dayrate multiplied by the number of days remaining in the firm contract period, excluding revenues for mobilization, demobilization, contract preparation, other incentive provisions or reimbursement revenues, which are not expected to be significant to our contract drilling revenues. The contract backlog represents the maximum contract drilling revenues that can be earned considering the contractual operating dayrate in effect during the firm contract period. The contract backlog for our fleet was as follows:

	<u>February 9, 2023</u>	<u>October 13, 2022</u>	<u>February 14, 2022</u>
		(in millions)	
Contract backlog			
Ultra-deepwater floaters	\$ 7,378	\$ 6,327	\$ 5,301
Harsh environment floaters	1,159	943	1,165
Total contract backlog	<u>\$ 8,537</u>	<u>\$ 7,270</u>	<u>\$ 6,466</u>

Our contract backlog includes only firm commitments, including amounts associated with our contracted newbuild units under construction, which are represented by signed drilling contracts or, in some cases, by other definitive agreements awaiting contract execution. It does not include conditional agreements and options to extend firm commitments.

The average contractual dayrate relative to our contract backlog is defined as the average maximum contractual operating dayrate to be earned per operating day in the measurement period. An operating day is defined as a day for which a rig is contracted to earn a dayrate during the firm contract period after operations commence. At February 9, 2023, the contract backlog and average contractual dayrates for our fleet were as follows:

	<u>Total</u>	<u>For the years ending December 31,</u>					<u>Thereafter</u>
		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	
		(in millions, except average dayrates)					
Contract backlog							
Ultra-deepwater floaters	\$ 7,378	\$ 1,748	\$ 1,926	\$ 1,518	\$ 1,073	\$ 734	\$ 379
Harsh environment floaters	1,159	604	254	125	118	58	—
Total contract backlog	<u>\$ 8,537</u>	<u>\$ 2,352</u>	<u>\$ 2,180</u>	<u>\$ 1,643</u>	<u>\$ 1,191</u>	<u>\$ 792</u>	<u>\$ 379</u>
Average contractual dayrates							
Ultra-deepwater floaters	\$ 428,000	\$ 386,000	\$ 435,000	\$ 448,000	\$ 444,000	\$ 451,000	\$ 452,000
Harsh environment floaters	\$ 349,000	\$ 341,000	\$ 307,000	\$ 412,000	\$ 424,000	\$ 424,000	\$ —
Total fleet average	<u>\$ 415,000</u>	<u>\$ 373,000</u>	<u>\$ 415,000</u>	<u>\$ 445,000</u>	<u>\$ 442,000</u>	<u>\$ 449,000</u>	<u>\$ 452,000</u>

The actual amount of revenues earned and the actual periods in 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 revenues to be recognized include customer liquidity issues and contract terminations that may be available to our customers under certain circumstances.

The contractual operating dayrate may be higher than the actual dayrate we ultimately receive because 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 be higher than the actual dayrate we ultimately receive because of a number of factors, including rig downtime or suspension of operations. In certain contracts, the actual dayrate may be reduced to zero if, for example, repairs extend beyond a stated period of time. See “Part I. Item 1A. Risk Factors—Risks related to our business—Our current backlog of contract drilling revenues may not be fully realized.”

Average daily revenue—We believe average daily revenue provides a comparative measurement unit for our revenue-earning performance. Average daily revenue is defined as operating revenues, excluding revenues for contract terminations, reimbursements and contract intangible amortization, earned per operating day. The average daily revenue for our fleet was as follows:

	Years ended December 31,		
	2022	2021	2020
Average daily revenue			
Ultra-deepwater floaters	\$ 329,100	\$ 355,500	\$ 324,500
Harsh environment floaters	\$ 380,000	\$ 386,200	\$ 339,600
Midwater floaters	\$ —	\$ —	\$ 111,400
Total fleet average daily revenue	\$ 345,500	\$ 365,600	\$ 327,500

Our average daily revenue fluctuates relative to market conditions and our revenue efficiency. The average daily revenue may be affected by incentive performance bonuses or penalties or demobilization fee revenues. Our total fleet average daily revenue is affected by the mix of rig classes being operated. Midwater floaters, for example, which we no longer operate, are typically contracted at lower dayrates compared to ultra-deepwater floaters and harsh environment floaters. Revenues for a contracted newbuild unit are included in the calculation when the rig commences operations upon acceptance by the customer. We remove rigs from the calculation upon disposal or classification as held for sale, unless we continue to operate rigs subsequent to sale, in which case we remove the rigs at the time of completion or novation of the contract.

Revenue efficiency—We believe revenue efficiency measures our ability to ultimately convert our contract backlog into revenues. Revenue efficiency is defined as actual operating revenues, excluding revenues for contract terminations and reimbursements, for the measurement period divided by the maximum revenue calculated for the measurement period, expressed as a percentage. Maximum revenue is defined as the greatest amount of contract drilling revenues the drilling unit could earn for the measurement period, excluding revenues for incentive provisions, reimbursements and contract terminations. The revenue efficiency rates for our fleet were as follows:

	Years ended December 31,		
	2022	2021	2020
Revenue efficiency			
Ultra-deepwater floaters	95.7 %	96.1 %	97.2 %
Harsh environment floaters	97.6 %	98.8 %	95.0 %
Midwater floaters	— %	— %	86.2 %
Total fleet average revenue efficiency	96.4 %	97.0 %	96.3 %

Our revenue efficiency rate varies due to revenues earned under alternative contractual dayrates, such as a waiting-on-weather rate, repair rate, standby rate, force majeure rate or zero rate, that may apply under certain circumstances. Our revenue efficiency rate is also affected by incentive performance bonuses or penalties. We include newbuilds in the calculation when the rigs commence operations upon acceptance by the customer. We exclude rigs that are not operating under contract, such as those that are stacked.

Rig utilization—We present our rig utilization as an indicator of our ability to secure work for our fleet. Rig utilization is defined as the total number of operating days divided by the total number of rig calendar days in the measurement period, expressed as a percentage. The rig utilization rates for our fleet were as follows:

	Years ended December 31,		
	2022	2021	2020
Rig utilization			
Ultra-deepwater floaters	50.1 %	49.3 %	58.5 %
Harsh environment floaters	64.9 %	64.4 %	72.6 %
Midwater floaters	— %	— %	37.1 %
Total fleet average rig utilization	54.1 %	53.4 %	62.4 %

Our rig utilization rate declines as a result of idle and stacked rigs and during shipyard and mobilization periods to the extent these rigs are not earning revenues. We include newbuilds in the calculation when the rigs commence operations upon acceptance by the customer. We remove rigs from the calculation upon disposal or classification as held for sale. Accordingly, our rig utilization can increase when we remove idle or stacked units from our fleet.

OPERATING RESULTS

Year ended December 31, 2022 compared to the year ended December 31, 2021

The following is an analysis of our operating results. See “—Performance and Other Key Indicators” for definitions of operating days, average daily revenue, revenue efficiency and rig utilization.

	Years ended December 31,		Change	% Change
	2022	2021		
	(in millions, except day amounts and percentages)			
Operating days	7,341	7,236	105	1 %
Average daily revenue	\$ 345,500	\$ 365,600	\$ (20,100)	(5)%
Revenue efficiency	96.4 %	97.0 %		
Rig utilization	54.1 %	53.4 %		
Contract drilling revenues	\$ 2,575	\$ 2,556	\$ 19	1 %
Operating and maintenance expense	(1,679)	(1,697)	18	1 %
Depreciation and amortization expense	(735)	(742)	7	1 %
General and administrative expense	(182)	(167)	(15)	(9)%
Loss on disposal of assets, net	(10)	(62)	52	84 %
Operating loss	(31)	(112)	81	72 %
Other income (expense), net				
Interest income	27	15	12	80 %
Interest expense, net of amounts capitalized	(561)	(447)	(114)	(26)%
Gain on retirement of debt	8	51	(43)	(84)%
Other, net	(5)	23	(28)	nm
Loss before income tax expense	(562)	(470)	(92)	(20)%
Income tax expense	(59)	(121)	62	51 %
Net loss	\$ (621)	\$ (591)	\$ (30)	(5)%

“nm” means not meaningful.

Contract drilling revenues—Contract drilling revenues increased for the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the following: (a) approximately \$25 million resulting from *Deepwater Atlas*, which was placed into service in October 2022, (b) approximately \$20 million resulting from increased rig utilization, (c) approximately \$10 million resulting from higher early termination revenues and (d) approximately \$10 million resulting from higher reimbursable revenues. These increases were partially offset by (a) approximately \$40 million resulting from lower dayrates and (b) approximately \$5 million resulting from lower fleet revenue efficiency.

Costs and expenses—Operating and maintenance costs and expenses decreased for the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the following: (a) approximately \$35 million resulting from the effect of favorable exchange rates, (b) approximately \$28 million resulting from the allowance for excess materials and supplies due to the identification, in the year ended December 31, 2021, of parts that were in excess of our expected future usage, (c) approximately \$15 million resulting from reduced rig out-of-service maintenance costs and (d) approximately \$5 million incurred on rigs sold in the year ended December 31, 2021. These decreases were partially offset by the following increases: (a) approximately \$25 million resulting from personnel compensation increases, (b) approximately \$20 million resulting from increased rig operating activities, (c) approximately \$15 million resulting from *Deepwater Atlas* and (d) approximately \$10 million resulting from higher customer reimbursable costs.

Depreciation and amortization expense decreased for the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to (a) approximately \$17 million resulting from assets that had reached the end of their useful lives or had been retired, partially offset by (b) approximately \$10 million of increased depreciation associated with our newbuild ultra-deepwater drillship and other property and equipment placed into service in the year ended December 31, 2022.

General and administrative expense increased for the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the following: (a) approximately \$8 million of increased costs for information systems and technology and (b) approximately \$3 million of increased costs for strategy and innovation.

Disposal of assets—In the year ended December 31, 2021, we recognized an aggregate net loss of \$57 million, primarily associated with the sale of a harsh environment floater and related assets. In the years ended December 31, 2022 and 2021, we recognized an aggregate net loss of \$10 million and \$5 million, respectively, associated with the disposal of assets unrelated to rig sales.

Other income and expense—Interest expense, net of amounts capitalized, increased in the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the following: (a) an increase of \$157 million resulting from the fair value adjustment of the bifurcated compound exchange feature embedded in the 4.625% Senior Guaranteed Exchangeable Bonds and (b) an increase of \$15 million resulting from borrowings under the Shipyard Loans, partially offset by (c) a decrease of \$41 million resulting from

debt repaid as scheduled or early retired and (d) a decrease of \$23 million resulting from increased interest capitalized for our newbuild construction projects.

In the year ended December 31, 2022, we recognized an aggregate net gain on the retirement of debt, primarily associated with the retirement of \$116 million aggregate principal amount of debt as a result of the 2022 Private Exchange. In the year ended December 31, 2021, we recognized an aggregate net gain on the retirement of debt, primarily associated with the retirement of \$323 million aggregate principal amount of debt as a result of the private exchanges completed in February 2021 (the "2021 Private Exchange").

Other expense, net, increased in the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the following: (a) income of \$32 million resulting from settlement of litigation recognized in the year ended December 31, 2021, (b) increased loss of \$11 million related to our investment in Nauticus Robotics, Inc. ("Nauticus"), (c) reduced income of \$7 million related to our dual-activity patent, (d) increased losses of \$7 million resulting from net changes to currency exchange rates, and (e) reduced income of \$5 million related to the non-service components of net periodic benefit income, partially offset by (f) reduced losses of \$33 million related to our investment in Orion Holdings (Cayman) Limited ("Orion").

Income tax expense—In the years ended December 31, 2022 and 2021, our effective tax rate was (10.4) percent and (25.7) percent, respectively, based on loss before income tax expense. In the years ended December 31, 2022 and 2021, the aggregate effect of discrete period tax items was a net tax benefit of \$19 million and net tax expense of \$47 million, respectively. In the year ended December 31, 2022, such discrete items included settlement and expiration of various uncertain tax positions, changes to valuation allowances, operational restructuring and gains due to exchange rate changes. In the year ended December 31, 2021, such discrete items included the effect of tax law changes in Switzerland and jurisdictional ownership changes of certain assets, loss on disposal of assets, expiration and settlements of various uncertain tax positions, gain on retirement of debt, changes to our allowance for excess materials and loss on impairment of an equity investment. In the years ended December 31, 2022 and 2021, our effective tax rate, excluding discrete items, was (13.6) percent and (18.5) percent, respectively, based on loss before income tax expense. In the year ended December 31, 2022 compared to the year ended December 31, 2021, our effective tax rate increased primarily due to changes in the relative blend of income from operations in certain jurisdictions.

Due to our operating activities and organizational structure, our income tax expense does not change proportionally with our income before income taxes. Significant decreases in our income before income taxes typically lead to higher effective tax rates, while significant increases in income before income taxes can lead to lower effective tax rates, subject to the other factors impacting income tax expense noted above. With respect to the effective tax rate calculation for the year ended December 31, 2022, a significant portion of our income tax expense was generated in countries in which income taxes are imposed or treated to be imposed on gross revenues, with the most significant of these countries being Angola and India. Conversely, during this period, the most significant countries in which we incurred income taxes that were based on income before income tax included the U.S., Hungary and Switzerland. Our rig operating structures further complicate our tax calculations, especially in instances where we have more than one operating structure for the taxing jurisdiction and, thus, more than one method of calculating taxes depending on the operating structure utilized by the rig under the contract.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

At December 31, 2022, we had \$683 million in unrestricted cash and cash equivalents and \$308 million in restricted cash and cash equivalents. In the year ended December 31, 2022, our primary sources of cash were net cash provided by our operating activities, net cash proceeds from the issuance of shares under the ATM Program and net cash proceeds from the issuance of debt. Our primary uses of cash were debt repayments and capital expenditures.

	<u>Years ended December 31,</u>		<u>Change</u>
	<u>2022</u>	<u>2021</u>	
		(in millions)	
Cash flows from operating activities			
Net loss	\$ (621)	\$ (591)	\$ (30)
Non-cash items, net	1,163	1,243	(80)
Changes in operating assets and liabilities, net	(94)	(77)	(17)
	<u>\$ 448</u>	<u>\$ 575</u>	<u>\$ (127)</u>

Net cash provided by operating activities decreased primarily due to (a) reduced cash collected from customers, (b) increased cash paid to employees and (c) reduced cash refunds for income taxes, partially offset by (d) reduced cash paid for interest.

	<u>Years ended December 31,</u>		<u>Change</u>
	<u>2022</u>	<u>2021</u>	
		(in millions)	
Cash flows from investing activities			
Capital expenditures	\$ (717)	\$ (208)	\$ (509)
Investments in equity of unconsolidated affiliates	(42)	(1)	(41)
Investment in loans to unconsolidated affiliates	(5)	(33)	28
Proceeds from disposal of assets, net	7	9	(2)
	<u>\$ (757)</u>	<u>\$ (233)</u>	<u>\$ (524)</u>

Net cash used in investing activities increased primarily due to (a) increased capital expenditures related to our newbuild construction program and (b) increased investments in equity of unconsolidated affiliates, including Liquila, Ocean Minerals LLC and Orion, partially offset by (c) reduced investment in loans to unconsolidated affiliates.

	<u>Years ended December 31,</u>		<u>Change</u>
	<u>2022</u>	<u>2021</u>	
		(in millions)	
Cash flows from financing activities			
Repayments of debt	\$ (554)	\$ (606)	\$ 52
Proceeds from issuance of shares, net of issue costs	263	158	105
Proceeds from issuance of debt, net of issue costs	175	—	175
Proceeds from issuance of warrants, net of issue costs	12	—	12
Other, net	(8)	(42)	34
	<u>\$ (112)</u>	<u>\$ (490)</u>	<u>\$ 378</u>

Net cash used in financing activities decreased primarily due to (a) net cash proceeds from the issuance of the 4.625% Senior Guaranteed Exchangeable Bonds in the year ended December 31, 2022, (b) increased net cash proceeds from the issuance of shares under the ATM Program and (c) decreased cash used to repay debt.

Sources and uses of liquidity

Overview—We expect to use existing unrestricted cash balances, internally generated cash flows, borrowings under our Secured Credit Facility or proceeds from the disposal of assets or the issuance of debt or shares to fulfill anticipated near-term obligations, which may include capital expenditures, working capital and other operational requirements, scheduled debt maturities or other payments. We may consider establishing additional financing arrangements with banks or other capital providers, and subject to market conditions and other factors, we may be required to provide collateral for any such future financing arrangements.

We have generated positive cash flows from operating activities over recent years and, although we cannot provide assurances, we currently expect that such cash flows will continue to be positive over the next year. Among other factors, if general economic, financial, industry or business conditions deteriorate, if we experience poor operating results, or if we incur costs to, for example, reactivate, stack or otherwise assure the marketability of our fleet, our cash flows from operations may be reduced or negative.

We continue to evaluate additional potential liability management transactions in connection with our ongoing efforts to prudently manage our capital structure and improve our liquidity. In each case subject to then-existing market conditions and our expected liquidity needs, among other factors, we may continue to use existing unrestricted cash balances, internally generated cash flows and proceeds from asset sales to pursue liability management transactions, including among others, purchasing or exchanging one or more existing series of our debt securities in the open market, in privately negotiated transactions, through tender offers or through exchange offers. Any future purchases, exchanges or other transactions may be on the same terms or on terms that are more or less favorable to holders than the terms of any prior transaction, including our previous exchange transactions. We can provide no assurance as to which, if any, of these alternatives, or combinations thereof, we may choose to pursue in the future, if at all, or as to the timing with respect to any future transactions.

Our ability and willingness to access the debt and equity markets is a function of a variety of factors, including, among others, general economic, industry or market conditions, market perceptions of us and our industry and credit rating agencies' views of our debt. General economic or market conditions could have an adverse effect on our business and financial position and on the business and financial position of our customers suppliers and lenders and could affect our ability to access the capital markets on acceptable terms or at all and our future need or ability to borrow under our Secured Credit Facility. In addition to our potential sources of funding, the effects of such global events could impact our liquidity or need to alter our allocation or sources of capital, implement further cost reduction measures and change our financial strategy. Additionally, the rating of the majority of our long-term debt, which is below investment grade, is causing us to experience increased fees and interest rates under our Secured Credit Facility and agreements governing certain of our senior notes. Future downgrades may further restrict our ability to access the debt market for sources of capital and may negatively impact the cost of such capital at a time when we would like, or need, to access such markets, which could have an impact on our flexibility to react to changing economic and business conditions.

Debt issuances—In January 2023, we issued \$525 million aggregate principal amount of 8.375% Senior Secured Notes, and we received \$515 million aggregate cash proceeds, net of issue costs. The 8.375% Senior Secured Notes are secured by the assets and earnings associated with the ultra-deepwater floater *Deepwater Titan* and the equity of the wholly owned subsidiary that owns or operates

the collateral rig. Additionally, we are required to maintain certain balances in a restricted cash account to satisfy debt service requirements. We may redeem all or a portion of the 8.375% Senior Secured Notes on or prior to February 1, 2025 at a price equal to 100 percent of the aggregate principal amount plus a make-whole premium, and subsequently, at specified redemption prices.

In January 2023, we issued \$1.175 billion aggregate principal amount of 8.75% Senior Secured Notes, and we received \$1.157 billion aggregate cash proceeds, net of issue costs. The 8.75% Senior Secured Notes are fully and unconditionally guaranteed on an unsecured basis by Transocean Ltd. and on a limited senior secured basis by certain of our wholly owned subsidiaries. The 8.75% Senior Secured Notes are secured by a lien on the ultra-deepwater floaters *Deepwater Pontus*, *Deepwater Proteus* and *Deepwater Thalassa* and the harsh environment floaters *Transocean Enabler* and *Transocean Encourage*, together with certain related assets. Additionally, we are required to maintain certain balances in a restricted cash account to satisfy debt service requirements.

Early debt retirement—In January 2023, in connection with the issuance of the 8.75% Senior Secured Notes, we made an aggregate payment of \$1.156 billion, including a make-whole premium, to redeem the remaining outstanding \$311 million, \$240 million, \$250 million, and \$336 million aggregate principal amount of the 5.875% Senior Secured Notes, the 7.75% Senior Secured Notes, the 6.25% Senior Secured Notes and the 6.125% Senior Secured Notes, respectively.

In January 2022, we made an aggregate cash payment of \$18 million to repay the then outstanding equivalent aggregate principal amount of the 5.52% Senior Secured Notes, and as a result, the noteholders subsequently released all liens, the mortgage on the secured rig and \$106 million from restricted cash accounts. In July 2022, we made an aggregate cash payment of \$27 million to redeem the then outstanding equivalent aggregate principal amount of the 3.80% Senior Notes.

In October 2022, the harsh environment floater *Transocean Equinox*, which is held as collateral for the 5.375% Senior Secured Notes, concluded its drilling contract following a notice received from the customer in September 2022. As required under the indenture governing such notes, in January 2023, we made a cash payment of \$121 million to redeem an equivalent aggregate principal amount of the outstanding securities. Additionally, in January 2023, the trustee notified holders of our intent to redeem the remaining outstanding \$122 million aggregate principal amount of notes for an equivalent aggregate cash payment, expected to be made on February 24, 2023.

In the year ended December 31, 2021, we made an aggregate cash payment of \$79 million to repurchase in the open market an equivalent aggregate principal amount of our debt securities.

Shipyard financing arrangement—We established the Shipyard Loans to finance all or a portion of the final payments expected to be owed to the shipyard upon delivery of the ultra-deepwater floaters *Deepwater Atlas* and *Deepwater Titan*. In June 2022, we borrowed \$349 million under one of the Shipyard Loans and made a cash payment of \$46 million to satisfy the final milestone payment due upon delivery of *Deepwater Atlas*. In December 2022, we borrowed \$90 million under the other Shipyard Loan and made a cash payment of \$325 million to satisfy the final milestone payment due upon delivery of *Deepwater Titan*. The Shipyard Loans are guaranteed by Transocean Inc. Borrowings under the Shipyard Loan for *Deepwater Atlas* are secured by, among other security, a lien on the rig. Borrowings under the Shipyard Loan for *Deepwater Titan* are unsecured. We have the right to prepay the outstanding borrowings, in full or in part, without penalty. The Shipyard Loans contain covenants that, among other things, limits the ability of the subsidiary owners of the drilling rigs to incur certain types of additional indebtedness or make certain additional commitments or investments.

Debt exchanges—In September 2022, we issued \$300 million aggregate principal amount of 4.625% Senior Guaranteed Exchangeable Bonds in connection with exchange and purchase agreements. Pursuant to the exchange and purchase agreements, we exchanged (a) \$73 million aggregate principal amount of the 0.50% Exchangeable Senior Bonds for (i) \$73 million aggregate principal amount of the 4.625% Senior Guaranteed Exchangeable Bonds and (ii) 6.7 million warrants to purchase Transocean Ltd. shares, and (b) \$43 million aggregate principal amount of the 7.25% Senior Notes for \$39 million aggregate principal amount of the 4.625% Senior Guaranteed Exchangeable Bonds. Additionally, we sold \$188 million aggregate principal amount of the 4.625% Senior Guaranteed Exchangeable Bonds and issued 15.5 million warrants to purchase Transocean Ltd. shares for aggregate net cash proceeds of \$188 million. On or after March 30, 2026, we may redeem for cash all or a portion of the 4.625% Senior Guaranteed Exchangeable Bonds at a price equivalent to the aggregate principal amount to be redeemed if the closing price of our shares has been greater than 115 percent of the exchange price for a period of at least 20 trading days.

In February 2021, we issued \$294 million aggregate principal amount of the 4.00% senior guaranteed exchangeable bonds due December 2025 (the “4.00% Senior Guaranteed Exchangeable Bonds”) and made an aggregate cash payment of \$11 million in the 2021 Private Exchange for \$323 million aggregate principal amount of the 0.50% Exchangeable Senior Bonds. The 4.00% Senior Guaranteed Exchangeable Bonds are guaranteed by Transocean Ltd. and the same subsidiaries of Transocean Inc. that guarantee the 2.50% senior guaranteed exchangeable bonds due January 2027 (the “2.50% Senior Guaranteed Exchangeable Bonds”) and the 11.50% senior guaranteed notes due January 2027. The indenture that governs the 4.00% Senior Guaranteed Exchangeable Bonds also requires such bonds to be repurchased upon the occurrence of certain fundamental changes and events, at specified prices depending on the particular fundamental change or event, which include changes and events related to certain (i) change of control events applicable to Transocean Ltd. or Transocean Inc., (ii) the failure of our shares to be listed or quoted on a national securities exchange and (iii) specified tax matters. The 4.00% Senior Guaranteed Exchangeable Bonds may be exchanged at any time prior to the close of business on the second business day immediately preceding the maturity date at a current exchange rate of 190.4762 Transocean Ltd. shares per \$1,000 note, which implies an exchange price of \$5.25 per share, subject to adjustment upon the occurrence of certain events, and any such exchange may be settled in cash, Transocean Ltd. shares or a combination of cash and Transocean Ltd. shares, at our election.

Share issuance—We intend to use the net proceeds from the sale of our shares under the ATM Program for general corporate purposes, which may include, among other things the repayment or refinancing of indebtedness and the funding of working capital, capital expenditures, investments and additional balance sheet liquidity. In the years ended December 31, 2022 and 2021, we received aggregate cash proceeds of \$263 million and \$158 million, respectively, net of issue costs, for the aggregate sale of 61.0 million shares and 36.1 million shares, respectively, under the ATM Program.

Secured Credit Facility—In July 2022, we amended the bank credit agreement for our Secured Credit Facility to, among other things, (i) extend the maturity date from June 22, 2023 to June 22, 2025, (ii) reduce the borrowing capacity from \$1.33 billion to \$774 million through June 22, 2023, and thereafter reduce the borrowing capacity to \$600 million through June 22, 2025 and (iii) replace our ability to borrow under the Secured Credit Facility at the reserve adjusted London Interbank Offered Rate plus a margin (the “Secured Credit Facility Margin”) with the ability to borrow under the Secured Credit Facility at a forward looking term rate based on the secured overnight financing rate (“Term SOFR”) plus the Secured Credit Facility Margin and a Term SOFR spread adjustment of 0.10 percent. The Secured Credit Facility is subject to permitted extensions and certain early maturity triggers, including if on any date the aggregate amount of scheduled principal repayments of indebtedness, with certain exceptions, due within 91 days thereof is equal to or in excess of \$200 million and available cash is less than \$250 million. The amended secured credit facility also permits us to increase the aggregate amount of commitments by up to \$250 million. The Secured Credit Facility is guaranteed by Transocean Ltd. and certain wholly owned subsidiaries. The Secured Credit Facility is secured by, among other things, a lien on nine of our ultra-deepwater floaters and two of our harsh environment floaters.

The Secured Credit Facility contains covenants that, among other things, include maintenance of a minimum guarantee coverage ratio of 3.0 to 1.0, a minimum collateral coverage ratio of 2.1 to 1.0, a maximum debt to capitalization ratio of 0.60 to 1.00 and minimum liquidity of \$500 million. The Secured Credit Facility also restricts the ability of Transocean Ltd. and certain of our subsidiaries to, among other things, merge, consolidate or otherwise make changes to the corporate structure, incur liens, incur additional indebtedness, enter into transactions with affiliates and pay dividends and other distributions. In order to utilize the Secured Credit Facility, we must, at the time of the borrowing request, be in full compliance with the terms and conditions of the Secured Credit Facility and make certain representations and warranties, including with respect to compliance with laws and solvency, to the lenders. Repayment of borrowings under the Secured Credit Facility are subject to acceleration upon the occurrence of an event of default. Under the agreements governing certain of our debt and finance lease, we are also subject to various covenants, including restrictions on creating liens, engaging in sale/leaseback transactions and engaging in certain merger, consolidation or reorganization transactions. A default under our public debt indentures, the agreements governing our senior secured notes, our finance lease contract or any other debt owed to unaffiliated entities that exceeds \$125 million could trigger a default under the Secured Credit Facility and, if not waived by the lenders, could cause us to lose access to the Secured Credit Facility. At February 14, 2023, we had no borrowings outstanding, \$6 million of letters of credit issued, and we had \$767 million of available borrowing capacity under the Secured Credit Facility.

Equity and debt investments—In the years ended December 31, 2022 and 2021, we made cash investments of \$25 million and \$34 million, respectively, in the equity and debt of certain unconsolidated affiliates, such as Orion and Liquila, that own drilling units. In the year ended December 31, 2022, we made a cash contribution of \$15 million to Liquila, which was used by Liquila to make the initial payment to the shipyard to acquire the ultra-deepwater drillship *Deepwater Aquila*. Additionally, in the year ended December 31, 2022, we made an aggregate cash contribution of \$10 million to our equity investment in Orion, the company that, through its wholly owned subsidiary, owns the harsh environment floater *Transocean Norge*. In June 2021, we agreed to participate in a financing arrangement for Orion, at a rate of 33 percent, equivalent to our ownership interest in Orion, and made a cash investment of \$33 million in the loan facility.

In February 2023, we agreed to make an investment for a noncontrolling ownership interest in Global Sea Mineral Resources, a Belgian company and leading developer of nodule collection technology, which is engaged in the development and exploration of deep-sea polymetallic nodules that contain metals critical to the growing renewable energy market. In addition to a cash investment of \$10 million, we agreed to contribute the ultra-deepwater drillship *Ocean Rig Olympia*, and we expect to contribute engineering services in the future.

In the year ended December 31, 2022, we made an aggregate cash investment of \$22 million in the equity and debt of certain other unconsolidated affiliates that are involved in researching and developing technology to improve efficiency, reliability, sustainability and safety in drilling and other activities. We hold an equity investment in Nauticus, a company that develops highly sophisticated, ultra-sustainable marine robots and intelligent software to power them, which, following the completion of a business combination with a publicly traded special purpose acquisition company in September 2022, became a publicly listed company, the common shares of which trade on the NASDAQ exchange under the ticker symbol “KITT.” Additionally, we hold equity and debt investments in Ocean Minerals LLC, the parent company of Moana Minerals Ltd. (“Moana”), a Cook Islands subsea resource development company that intends to extract polymetallic nodules. We retain a priority right to provide deepwater nodule extraction services to Moana, and together with Moana and others, we intend to extract the nodules in an environmentally responsible way by employing existing and developing new technologies.

Exchangeable bonds—The indentures that govern the 4.00% Senior Guaranteed Exchangeable Bonds, 2.50% senior guaranteed exchangeable bonds due January 2027 and the 4.625% Senior Guaranteed Exchangeable Bonds each requires such bonds to be repurchased upon the occurrence of certain fundamental changes and events, at specified prices depending on the particular fundamental change or event, which include changes and events related to certain (i) change of control events applicable to Transocean Ltd. or Transocean Inc., (ii) the failure of our shares to be listed or quoted on a national securities exchange and (iii) specified tax matters. Additionally, the 4.00% Senior Guaranteed Exchangeable Bonds and the 4.625% Senior Guaranteed Exchangeable Bonds may be exchanged at any time prior to the close of business on the second business day immediately preceding the maturity date at the effective

exchange rate, and any such exchange may be settled in cash, Transocean Ltd. shares or a combination of cash and Transocean Ltd. shares, at our election.

Share repurchase program—In May 2009, at our annual general meeting, our shareholders approved and authorized our board of directors, at its discretion, to repurchase for cancellation any amount of our shares for an aggregate purchase price of up to CHF 3.50 billion. On February 12, 2010, our board of directors authorized our management to implement the share repurchase program. At December 31, 2022, the authorization remaining under the share repurchase program was for the repurchase of our outstanding shares for an aggregate purchase price of up to CHF 3.24 billion, equivalent to \$3.51 billion. We intend to fund any repurchases using available cash balances and cash from operating activities. The share repurchase program could be suspended or discontinued by our board of directors or company management, as applicable, at any time. We may decide, based on our ongoing capital requirements, the price of our shares, regulatory and tax considerations, cash flow generation, the amount and duration of our contract backlog, general market conditions, debt rating considerations and other factors, that we should retain cash, reduce debt, make capital investments or acquisitions or otherwise use cash for general corporate purposes. Decisions regarding the amount, if any, and timing of any share repurchases will be made from time to time based on these factors. Any repurchased shares under the share repurchase program would be held by us for cancellation by the shareholders at a future general meeting of shareholders. See “Item 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities—Shareholder Matters.”

Contractual obligations—At December 31, 2022, our contractual obligations stated at face value, were as follows:

	Total	Years ending December 31,			Thereafter
		2023	2024 - 2025	2026 - 2027	
		(in millions)			
Debt	\$ 7,311	\$ 728	\$ 2,084	\$ 2,755	\$ 1,744
Interest on debt	2,136	384	635	335	782
Finance lease liability	465	65	141	141	118
Operating lease liabilities	160	13	25	24	98
Purchase obligations	38	36	2	—	—
Service agreement obligations	836	124	281	266	165
Total	\$ 10,946	\$ 1,350	\$ 3,168	\$ 3,521	\$ 2,907

As of December 31, 2022, our defined benefit pension and other postemployment plans represented an aggregate liability of \$174 million, representing the aggregate projected benefit obligation, net of the aggregate fair value of plan assets. The carrying amount of this liability is influenced by, among others, significant current and future assumptions, funding contributions, returns on plan assets, participant demographics, and plan amendments. We excluded this amount from our contractual obligations presented above due to the uncertainties resulting from these factors and because the amount is not representative of future liquidity requirements. See Notes to Consolidated Financial Statements—Note 9—Postemployment Benefit Plans.

As of December 31, 2022, we had unrecognized tax benefits of \$471 million, including interest and penalties, against which we recorded net operating loss deferred tax assets of \$383 million, resulting in net unrecognized tax benefits of \$88 million, including interest and penalties, that upon reversal would favorably impact our effective tax rate. Although a portion of these could settle or reverse in the coming year, we have excluded this amount from our contractual obligations presented above due to the high degree of uncertainty regarding the timing of future cash outflows associated with these liabilities and the period in which any cash settlement may be made with the respective taxing authorities. See Notes to Consolidated Financial Statements—Note 10—Income Taxes.

Other commercial commitments—We have other commercial commitments, such as standby letters of credit and surety bonds that guarantee our performance as it relates to our drilling contracts, insurance, customs, tax and other obligations in various jurisdictions. The cash obligations of these commitments, which are primarily geographically concentrated in Brazil, are not normally called because we typically comply with the underlying performance requirements. Standby letters of credit are issued under various committed and uncommitted credit lines, some of which require cash collateral. At December 31, 2022, the aggregate cash collateral held by banks for letters of credit and surety bonds was \$7 million.

At December 31, 2022, these obligations stated in U.S. dollar equivalents and their time to expiration were as follows:

	Total	Years ending December 31,			Thereafter
		2023	2024 - 2025	2026 - 2027	
		(in millions)			
Standby letters of credit	\$ 8	\$ 8	\$ —	\$ —	\$ —
Surety bonds	161	29	121	11	—
Total	\$ 169	\$ 37	\$ 121	\$ 11	\$ —

We have established a wholly owned captive insurance company to insure various risks of our operating subsidiaries. Access to the cash and cash equivalents of the captive insurance company may be limited due to local regulatory restrictions. At December 31, 2022, the captive insurance company held cash and cash equivalents of \$44 million, and such balance is expected to range from \$25 million to \$75 million through December 31, 2023. The balance of the cash and cash equivalents held by the captive insurance company varies, depending on (i) premiums received and (ii) the timing and magnitude of claims and dividends paid by the captive insurance company.

Drilling fleet

Expansion—From time to time, we review possible acquisitions of businesses and drilling rigs, as well as noncontrolling interests in other companies, and we may make significant future capital commitments for such purposes. We may also consider investments related to major rig upgrades, new rig construction, or the acquisition of a rig under construction. Any such acquisition or investment could involve the payment by us of a substantial amount of cash or the issuance of a substantial number of additional shares or other securities. Our failure to subsequently secure drilling contracts in these instances, if not already secured, could have an adverse effect on our results of operations or cash flows.

In the year ended December 31, 2022, we made a cash contribution of \$15 million to Liquila, which represented our proportionate contribution that was used to make the initial payment to the shipyard to acquire the newbuild ultra-deepwater drillship *Deepwater Aquila* for a purchase price of approximately \$200 million. The seventh generation, high-specification drillship is designed to be equipped with our patented dual activity, a 1,400 short-ton hookload, large deck space, high load capacities, large deck space and will be dual-stack ready. We maintain the exclusive right to market and manage the operations of the rig, which is expected to be delivered from the shipyard in the third quarter of 2023.

In the years ended December 31, 2022 and 2021, we made capital expenditures of \$717 million and \$208 million, respectively, including \$669 million and \$174 million, respectively, for our newbuild construction projects. The historical and projected capital expenditures and non-cash capital additions for our ongoing newbuild construction projects were as follows:

	Total costs through December 31, 2022	Expected costs for the year ending December 31, 2023 (in millions)	Total
Deepwater Atlas (a)	\$ 954	\$ 66	\$ 1,020
Deepwater Titan (b)	1,052	128	1,180
Total	\$ 2,006	\$ 194	\$ 2,200

- (a) In October 2022, we completed construction of the ultra-deepwater drillship *Deepwater Atlas*. In June 2022, we borrowed \$349 million under the Shipyard Loan and made a cash payment of \$46 million to satisfy the final milestone payment due upon delivery of *Deepwater Atlas*. We recorded the Shipyard Loan, net of imputed interest, and corresponding non-cash capital additions of \$300 million. In October 2022, the rig commenced operations in the first of two phases using a 15,000 pounds per square inch blowout preventer. Before the start of the second phase, the rig will undergo installation of a 20,000 pounds per square inch blowout preventer and related equipment, which is expected to be commissioned in the third quarter of 2023.
- (b) *Deepwater Titan* is an ultra-deepwater drillship under construction. In December 2022, we took delivery from Jurong Shipyard Pte Ltd. in Singapore and borrowed \$90 million under the Shipyard Loan and made a cash payment of \$325 million to satisfy the final milestone payment due upon delivery of *Deepwater Titan*. We recorded the Shipyard Loan, net of imputed interest, and corresponding non-cash capital additions of \$82 million. The rig is expected to commence operations under its drilling contract in the second quarter of 2023. The projected capital additions include estimates for the mobilization and customer acceptance in the U.S. Gulf of Mexico and an upgrade for two 20,000 pounds per square inch blowout preventers and other equipment required by our customer.

The ultimate amount of our capital expenditures is partly dependent upon financial market conditions, the actual level of operational and contracting activity, the costs associated with the current regulatory environment and customer requested capital improvements and equipment for which the customer agrees to reimburse us. As with any major shipyard project that takes place over an extended period of time, the actual costs, the timing of expenditures and the project completion date may vary from estimates based on numerous factors, including actual contract terms, weather, exchange rates, shipyard labor conditions, availability of suppliers to recertify equipment and the market demand for components and resources required for drilling unit construction. We intend to fund the cash requirements relating to our capital expenditures not financed under the Shipyard Loans by using available cash balances, cash generated from operations and asset sales, borrowings under our Secured Credit Facility and financing arrangements with banks or other capital providers. Economic conditions and other factors could impact the availability of these sources of funding. See “—Sources and uses of liquidity.”

Dispositions—From time to time, we may also review the possible disposition of certain drilling assets. Considering market conditions, we have previously committed to plans to sell certain lower-specification drilling units for scrap value, and we may identify additional lower-specification drilling units to be sold for scrap, recycling or alternative purposes.

RELATED PARTY TRANSACTIONS

We engage in certain related party transactions with our unconsolidated affiliates, the most significant of which are under agreements with Orion. We have a management services agreement with Orion for the operation, stacking and maintenance of the harsh environment floater *Transocean Norge* and a marketing services agreement for the marketing of the rig. We also periodically lease the rig under short-term bareboat charter agreements. In June 2021, Orion refinanced its shipyard loans under a financing arrangement for \$100 million, in which we made a cash investment of \$33 million. Borrowings under the financing arrangement are secured by *Transocean Norge*. Additionally, we have a management services agreement with Liquila for various services, including the marketing of

the newbuild ultra-deepwater drillship *Deepwater Aquila*. See Notes to Consolidated Financial Statements—Note 3—Unconsolidated Affiliates.

In August 2020, Perestroika AS, an entity affiliated with one of our directors that beneficially owns approximately 11 percent of our shares, exchanged \$356 million aggregate principal amount of the 0.50% Exchangeable Senior Bonds for \$213 million aggregate principal amount of 2.50% Senior Guaranteed Exchangeable Bonds. Perestroika AS has certain registration rights related to its shares and shares that may be issued in connection with any exchange of its 2.50% Senior Guaranteed Exchangeable Bonds. In November 2022, Perestroika AS made a cash investment of \$10 million for a 13 percent noncontrolling ownership interest in Liquila. See Notes to Consolidated Financial Statements—Note 3—Unconsolidated Affiliates and Notes to Consolidated Financial Statements—Note 8—Debt.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Overview—We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the U.S., which require us to make estimates that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures of contingent assets and liabilities. These estimates require significant judgments and assumptions. On an ongoing basis, we evaluate our estimates, including those related to our income taxes, property and equipment, equity investments, contingencies, allowance for excess materials and supplies, intangibles, postemployment benefit plans and share-based compensation. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

We consider the following to be our critical accounting policies and estimates since they are very important to the portrayal of our financial condition and results and require our most subjective and complex judgments. We have discussed the development, selection and disclosure of such policies and estimates with the audit committee of our board of directors. For a discussion of our significant accounting policies and accounting standards updates, refer to our Notes to Consolidated Financial Statements—Note 2—Significant Accounting Policies.

Income taxes—We provide for income taxes based on expected taxable income, statutory rates, tax laws and tax planning opportunities available to us in the jurisdictions in which we operate or have a taxable presence. The relationship between our provision for or benefit from income taxes and our income or loss before income taxes can vary significantly from period to period considering, among other factors, (a) the overall level of income before income taxes, (b) changes in the blend of income that is taxed based on gross revenues rather than income before taxes, (c) rig movements between taxing jurisdictions and (d) our rig operating structures. Consequently, our income tax expense does not change proportionally with our income or loss before income taxes.

Uncertain tax positions—We apply significant judgment to evaluate our tax positions based on the interpretation of tax laws in various jurisdictions and with the use of estimates and assumptions regarding significant future events, such as the amount, timing and character of income, deductions and tax credits. Our tax liability in any given year could be affected by changes in tax laws, regulations, agreements, and treaties, currency exchange restrictions or our level or profitability of operations in each jurisdiction. The tax laws relating to the offshore drilling industry in certain jurisdictions in which we operate are not well developed, requiring us to apply incremental judgment. Although we employ the best information available at the time we prepare our annual tax provision, a number of years may elapse before the tax liabilities in the various jurisdictions are ultimately determined.

We are undergoing examinations of our tax returns in a number of taxing jurisdictions for various years. We review our liabilities on an ongoing basis and, to the extent audits or other events cause us to adjust the liabilities accrued in prior periods, we recognize those adjustments in the period of the event. Our tax liabilities are dependent on numerous factors that cannot be reasonably projected, including among others, the amount and nature of additional taxes potentially asserted by local tax authorities; the willingness of local tax authorities to negotiate a fair settlement through an administrative process; the impartiality of the local courts; and the potential for changes in the taxes paid to one country that either produce, or fail to produce, offsetting tax changes in other countries. Consequently, we cannot reasonably estimate the future impact of changes to the assumptions and estimates related to our annual tax provision.

Unrecognized tax benefits—We establish liabilities for estimated tax exposures, and the provisions and benefits resulting from changes to those liabilities are included in our annual tax provision along with related interest and penalties. Such tax exposures include potential challenges to permanent establishment positions, intercompany pricing, disposition transactions, and withholding tax rates and their applicability. These exposures may be affected by changes in applicable tax law or other factors, which could cause us to revise our prior estimates, and are generally resolved through the settlement of audits within these tax jurisdictions or by judicial means. At December 31, 2022 and 2021, we had unrecognized tax benefits of \$471 million and \$435 million, respectively, including interest and penalties, against which we recorded net operating loss deferred tax assets of \$383 million and \$320 million, respectively, resulting in net unrecognized tax benefits of \$88 million and \$115 million, respectively, including interest and penalties, that upon reversal would favorably impact our effective tax rate.

Valuation allowance—We apply significant judgment to determine whether our deferred tax assets will be fully or partially realized. Our evaluation requires us to consider all available positive and negative evidence, including projected future taxable income and the existence of cumulative losses in recent years. We continually evaluate tax planning strategies that could allow for the future utilization of

our deferred tax assets. When it is estimated to be more likely than not that all or some portion of certain deferred tax assets, such as foreign tax credit carryovers or net operating loss carryforwards, will not be realized, we establish a valuation allowance for the amount of the deferred tax assets that is considered to be unrealizable. During the years ended December 31, 2022 and 2021, in connection with our evaluation of the projected realizability of our deferred tax assets, we determined that our consolidated cumulative loss incurred over the recent three-year period has limited our ability to consider other subjective evidence, such as projected contract activity rather than contract backlog. See Notes to Consolidated Financial Statements—Note 10—Income Taxes.

Property and equipment—We apply significant judgment to account for our property and equipment, consisting primarily of offshore drilling rigs and related equipment, related to estimates and assumptions for cost capitalization, useful lives and salvage values. At December 31, 2022 and 2021, the carrying amount of our property and equipment was \$17.47 billion and \$17.10 billion, respectively, representing 85 percent and 83 percent, respectively, of our total assets.

Capitalized costs—We capitalize costs incurred to enhance, improve and extend the useful lives of our property and equipment and expense costs incurred to repair and maintain the existing condition of our rigs. For newbuild construction projects, we also capitalize the initial preparation, mobilization and commissioning costs incurred until the drilling unit is placed into service. Capitalized costs increase the carrying amounts of, and depreciation expense for, the related assets, which also impact our results of operations.

Useful lives and salvage values—We depreciate our assets using the straight-line method over their estimated useful lives after allowing for salvage values. We estimate useful lives and salvage values by applying judgments and assumptions that reflect both historical experience and expectations regarding future operations, rig utilization and asset performance. Useful lives and salvage values of rigs are difficult to estimate due to a variety of factors, including (a) technological advances that impact the methods or cost of oil and gas exploration and development, (b) changes in market or economic conditions and (c) changes in laws or regulations affecting the drilling industry. Applying different judgments and assumptions in establishing the useful lives and salvage values would likely result in materially different net carrying amounts and depreciation expense for our assets. We reevaluate the remaining useful lives and salvage values of our rigs when certain events occur that directly impact the useful lives and salvage values of the rigs, including changes in operating condition, functional capability and market and economic factors. We may also consider major capital upgrades required to perform certain contracts and the long-term impact of those upgrades on future marketability. At December 31, 2022, a hypothetical one-year increase in the useful lives of all of our rigs would cause a decrease in our annual depreciation expense of approximately \$38 million and a hypothetical one-year decrease would cause an increase in our annual depreciation expense of approximately \$13 million.

Long-lived asset impairment—We review our property and equipment for impairment when events or changes in circumstances indicate that the carrying amounts of our assets held and used may not be recoverable. Potential impairment indicators include rapid declines in commodity prices and related market conditions, declines in dayrates or utilization, cancellations of contracts or credit concerns of multiple customers. During periods of oversupply, we may idle or stack rigs for extended periods of time or we may elect to sell certain rigs for scrap, which could be an indication that an asset group may be impaired since supply and demand are the key drivers of rig utilization and our ability to contract our rigs at economical rates. Our rigs are mobile units, equipped to operate in geographic regions throughout the world and, consequently, we may mobilize rigs from an oversupplied region to a more lucrative and undersupplied region when it is economical to do so. Many of our contracts generally allow our customers to relocate our rigs from one geographic region to another, subject to certain conditions, and our customers utilize this capability to meet their worldwide drilling requirements. Accordingly, our rigs are considered to be interchangeable within classes or asset groups, and we evaluate impairment by asset group. We consider our asset groups to be ultra-deepwater floaters and harsh environment floaters.

We assess recoverability of assets held and used by projecting undiscounted cash flows for the asset group being evaluated. When the carrying amount of the asset group is determined to be unrecoverable, we recognize an impairment loss, measured as the amount by which the carrying amount of the asset group exceeds its estimated fair value. To estimate the fair value of each asset group, we apply a variety of valuation methods, incorporating income, market and cost approaches. We may weigh the approaches, under certain circumstances, when relevant data is limited, when results are inconclusive or when results deviate significantly. Our estimate of fair value generally requires us to use significant unobservable inputs, representative of Level 3 fair value measurements, including assumptions related to the long-term future performance of our asset groups, such as projected revenues and costs, dayrates, rig utilization and revenue efficiency. These projections involve uncertainties that rely on assumptions about demand for our services, future market conditions and technological developments. Because our business is cyclical in nature, the results of our impairment testing are expected to vary significantly depending on the timing of the assessment relative to the business cycle. Altering either the timing of or the assumptions used to estimate fair value and significant unanticipated changes to the assumptions could materially alter an outcome that could otherwise result in an impairment loss. Given the nature of these evaluations and their application to specific asset groups and specific time periods, it is not possible to reasonably quantify the impact of changes in these assumptions. In the year ended December 31, 2020, we recognized a loss of \$31 million, which had no tax effect, associated with the impairment of the midwater floater asset group. See Notes to Consolidated Financial Statements—Note 6—Long-Lived Assets.

Equity-method investments and impairment—We review our equity-method investments for potential impairment when events or changes in circumstances indicate that the carrying amount of the investment might not be recoverable in the near term. Such circumstances include the following: (a) evidence we are unable to recover the carrying amount of our investment, (b) evidence that the investee is unable to sustain earnings that would justify the carrying amount or (c) the current fair value of the investment is less than the carrying amount. If an evaluation of such circumstances results in the determination that an impairment that is other than temporary exists,

we recognize an impairment loss, measured as the amount by which the carrying amount of the investment exceeds its estimated fair value. To estimate the fair value of the investment, we apply valuation methods that rely primarily on the income and market approaches. Our estimate of fair value generally requires us to use significant unobservable inputs, representative of Level 3 fair value measurements, including assumptions related to the estimated discount rate and the investee's long-term future operational performance factors, such as projected revenues and costs and market factors, including demand for the investee's industry, services and product lines. Such projections involve significant uncertainties and require significant judgment. In the years ended December 31, 2021 and 2020, we recognized a loss of \$37 million and \$59 million, respectively, associated with an other-than-temporary impairment of the carrying amount of our equity-method investments. See Notes to Consolidated Financial Statements—Note 3—Unconsolidated Affiliates.

OTHER MATTERS

Regulatory matters

We occasionally receive inquiries from governmental regulatory agencies regarding our operations around the world, including inquiries with respect to various tax, environmental, regulatory and compliance matters. To the extent appropriate under the circumstances, we investigate such matters, respond to such inquiries and cooperate with the regulatory agencies. See Notes to Consolidated Financial Statements—Note 12—Commitments and Contingencies.

Tax matters

We conduct operations through our various subsidiaries in countries throughout the world. Each country has its own tax regimes with varying nominal rates, deductions and tax attributes that are subject to changes resulting from new legislation, interpretation or guidance. From time to time, as a result of these changes, we may revise previously evaluated tax positions, which could cause us to adjust our recorded tax assets and liabilities. Tax authorities in certain jurisdictions are examining our tax returns and, in some cases, have issued assessments. We intend to defend our tax positions vigorously. Although we can provide no assurance as to the outcome of the aforementioned changes, examinations or assessments, we do not expect the ultimate liability to have a material adverse effect on our consolidated statement of financial position or results of operations; however, it could have a material adverse effect on our consolidated statement of cash flows. See Notes to Consolidated Financial Statements—Note 10—Income Taxes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk—We are exposed to interest rate risk, primarily associated with our long-term debt, including current maturities. The following table presents the scheduled installment amounts and related weighted-average interest rates of our long-term debt instruments by contractual maturity date. The scheduled installment amounts include the contractual principal and interest payments resulting from previously restructured debt. The following table presents information as of December 31, 2022 for each of the five years in the period ending December 31, 2027 and thereafter (in millions, except interest rate percentages):

	Twelve months ending December 31,					Thereafter	Total	Fair value
	2023	2024	2025	2026	2027			
Debt								
Fixed rate (USD)	\$ 728	\$ 952	\$ 1,132	\$ 866	\$ 1,889	\$ 1,744	\$ 7,311	\$ 6,412
Average interest rate	5.08 %	5.87 %	5.44 %	6.37 %	4.01 %	6.87 %		

At December 31, 2022 and 2021, the fair value of our outstanding debt was \$6.41 billion and \$5.66 billion, respectively. During the year ended December 31, 2022, the fair value of our debt increased by \$751 million due to the following: (a) an increase of \$469 million due to changes in the market prices of our outstanding debt, (b) an increase of \$407 million due to borrowings under shipyard loans established to finance a portion of the final installments due upon delivery of *Deepwater Atlas* and *Deepwater Titan* and (c) a net increase of \$388 million due to the issuance of the 4.625% Senior Guaranteed Exchangeable Bonds in private exchanges for a portion of the 0.50% Exchangeable Senior Bonds and the 7.25% Senior Notes and the sale of new securities, partially offset by (d) a decrease of \$468 million due to scheduled repayments and (e) a decrease of \$44 million due to early retirement. See Notes to Consolidated Financial Statements—Note 8—Debt.

The majority of our cash equivalents is subject to variable interest rates or short-term interest rates and such cash equivalents earn commensurately higher rates of return when interest rates increase.

Currency exchange rate risk—We are exposed to currency exchange rate risk primarily related to contract drilling revenues, employee compensation costs and purchasing costs that are denominated in currencies other than our functional currency, the U.S. dollar. We use a variety of techniques to minimize the exposure to currency exchange rate risk, including the structuring of customer contract payment terms and occasional use of forward exchange contracts. Our primary tool to manage currency exchange rate risk involves structuring customer contracts to provide for payment in both U.S. dollars and local currency. The payment portion denominated in local currency is based on anticipated local currency requirements over the contract term. Due to various factors, including customer acceptance, local banking laws, national content requirements, other statutory requirements, local currency convertibility, local inflation and revenue efficiency, actual local currency needs may vary from those realized in the customer contracts, resulting in partial exposure to currency exchange rate risk. The currency exchange effect resulting from our international operations generally has not had a material impact on our operating results. See Notes to Consolidated Financial Statements—Note 18—Risk Concentration.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report on Internal Control Over Financial Reporting

Management of Transocean Ltd. (the "Company," "we" or "our") is responsible for the integrity and objectivity of the financial information included in this annual report. We have prepared our financial statements in accordance with accounting principles generally accepted in the United States, which require us to apply our best judgement to make estimates and assumptions for certain amounts. We are responsible for establishing and maintaining a system of internal controls and procedures to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements. Our internal control system is supported by a program of internal audits and appropriate reviews by management, written policies and guidelines, careful selection of qualified personnel, and a written Code of Integrity. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and, even when determined to be effective, can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness in 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.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, as described in *Internal Control-Integrated Framework*, as published in 2013. Based on this assessment, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2022.

The Company's independent auditors, Ernst & Young LLP, a registered public accounting firm, are appointed by the audit committee of the Company's board of directors, subject to ratification by our shareholders. Ernst & Young LLP has audited and reported on the consolidated financial statements of Transocean Ltd. and subsidiaries, and the Company's internal control over financial reporting. The reports of the independent auditors are contained in this annual report.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Transocean Ltd.

Opinion on Internal Control Over Financial Reporting

We have audited Transocean Ltd. and subsidiaries' internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Transocean Ltd. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive loss, equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 22, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding 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 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.

/s/ Ernst & Young LLP

Houston, Texas
February 22, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Transocean Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Transocean Ltd. and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive loss, equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and financial statement schedule listed in the Index at Item 15(a) (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 at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 22, 2023, expressed an unqualified opinion thereon.

Opinion on the Financial Statements

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the 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 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 financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter 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 matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Income Taxes

Description of the Matter

As discussed in Notes 2 and 10 to the consolidated financial statements, the Company operates in multiple jurisdictions through a complex operating structure and is subject to applicable tax laws, treaties or regulations in each jurisdiction where it operates. The Company's provision for income taxes is based on the tax laws and rates applicable in each jurisdiction. The Company recognizes tax benefits they believe are more likely than not to be sustained upon examination by the taxing authorities based on the technical merits of the position.

Auditing management's provision for income taxes and related deferred taxes was complex because of the Company's multi-national operating structure. In addition, a higher degree of auditor judgment was required to evaluate the Company's deferred tax provision as a result of the Company's interpretation of tax law in certain jurisdictions across its multiple subsidiaries.

*How We Addressed
the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's income tax provision process, including controls over management's review of the identification and valuation of deferred income taxes and changes in tax laws and regulations that may impact the Company's deferred income tax provision.

Our audit procedures also included, among others, (i) obtaining an understanding of the Company's overall tax structure, evaluating changes in the Company's tax structure that occurred during the year as well as changes in tax law, and assessing the interpretation of those changes under the relevant jurisdiction's tax law; (ii) utilizing tax resources with appropriate knowledge of local jurisdictional laws and regulations; (iii) evaluating the completeness and accuracy of deferred income taxes, and (iv) assessing the reasonableness of the Company's valuation allowance on deferred tax assets, including projections of taxable income from the future reversal of existing taxable temporary differences.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1999.
Houston, Texas
February 22, 2023

To the General Meeting of
Transocean Ltd., Steinhausen

Zurich, February 22, 2023

Report of the statutory auditor on the consolidated financial statements



Opinion

We have audited the accompanying consolidated financial statements of Transocean Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles (US GAAP) and comply with Swiss law.



Basis for opinion

We conducted our audit in accordance with Swiss law, Swiss Standards on Auditing (SA-CH) and the standards of the Public Company Accounting Oversight Board (United States) (PCAOB standards). Our responsibility is to express an opinion on these consolidated financial statements based on our audit and our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are a public accounting firm and are independent of the Group in accordance with the provisions of Swiss law U.S. federal securities law, together with the requirements of the Swiss audit profession, the U.S. Securities and Exchange Commission and the PCAOB and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.



Critical audit matters

The critical audit matters communicated below are the 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: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the 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.

Income Taxes

Description of the Matter

As discussed in Notes 2 and 10 to the consolidated financial statements, the Company operates in multiple jurisdictions through a complex operating structure and is subject to applicable tax laws, treaties or regulations in each jurisdiction where it operates. The Company's provision for income taxes is based on the tax laws and rates applicable in each jurisdiction. The Company recognizes tax benefits they believe are more likely than not to be sustained upon examination by the taxing authorities based on the technical merits of the position.

Auditing management's provision for income taxes and related deferred taxes was complex because of the Company's multi-national operating structure. In addition, a higher degree of auditor judgment was required to evaluate the Company's deferred tax provision as a result of the Company's interpretation of tax law in certain jurisdictions across its multiple subsidiaries.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's income tax provision process, including controls over management's review of the identification and valuation of deferred income taxes and changes in tax laws and regulations that may impact the Company's deferred income tax provision.

Our audit procedures also included, among others, (i) obtaining an understanding of the Company's overall tax structure, evaluating changes in the Company's tax structure that occurred during the year as well as changes in tax law, and assessing the interpretation of those changes under the relevant jurisdiction's tax law; (ii) utilizing tax resources with appropriate knowledge of local jurisdictional laws and regulations; (iii) evaluating the completeness and accuracy of deferred income taxes, and (iv) assessing the reasonableness of the Company's valuation allowance on deferred tax assets, including projections of taxable income from the future reversal of existing taxable temporary differences.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, SA-CH and PCAOB standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, SA-CH and PCAOB standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- ▶ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up

to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters arising from the audit of the consolidated financial statements that were communicated or required to be communicated to the Board of Directors and the Audit Committee, we determine those matters that related to accounts or disclosures that are material to the consolidated financial statements and involved especially challenging, subjective, or complex auditor judgment in the current period and are therefore critical audit matters.



Report on other legal requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

We have served as the Group's auditor since 2008.

Ernst & Young Ltd

/s/ Reto Hofer
Licensed audit expert
(Auditor in charge)

/s/ Ralph Petermann
Certified public accountant

TRANSOCEAN LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Years ended December 31,		
	2022	2021	2020
Contract drilling revenues	\$ 2,575	\$ 2,556	\$ 3,152
Costs and expenses			
Operating and maintenance	1,679	1,697	2,000
Depreciation and amortization	735	742	781
General and administrative	182	167	183
	2,596	2,606	2,964
Loss on impairment	—	—	(597)
Loss on disposal of assets, net	(10)	(62)	(84)
Operating loss	(31)	(112)	(493)
Other income (expense), net			
Interest income	27	15	21
Interest expense, net of amounts capitalized	(561)	(447)	(575)
Gain on restructuring and retirement of debt	8	51	533
Other, net	(5)	23	(27)
	(531)	(358)	(48)
Loss before income tax expense	(562)	(470)	(541)
Income tax expense	59	121	27
Net loss	(621)	(591)	(568)
Net income (loss) attributable to noncontrolling interest	—	1	(1)
Net loss attributable to controlling interest	\$ (621)	\$ (592)	\$ (567)
Loss per share, basic and diluted	\$ (0.89)	\$ (0.93)	\$ (0.92)
Weighted-average shares, basic and diluted	699	637	615

See accompanying notes.

TRANSOCEAN LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in millions)

	Years ended December 31,		
	2022	2021	2020
Net loss	\$ (621)	\$ (591)	\$ (568)
Net income (loss) attributable to noncontrolling interest	—	1	(1)
Net loss attributable to controlling interest	(621)	(592)	(567)
Components of net periodic benefit (income) costs before reclassifications	(109)	175	38
Components of net periodic benefit costs reclassified to net loss	3	10	25
Other comprehensive income (loss) before income taxes	(106)	185	63
Income taxes related to other comprehensive income (loss)	5	(6)	(2)
Other comprehensive income (loss)	(101)	179	61
Other comprehensive income attributable to noncontrolling interest	—	—	—
Other comprehensive income (loss) attributable to controlling interest	(101)	179	61
Total comprehensive loss	(722)	(412)	(507)
Total comprehensive income (loss) attributable to noncontrolling interest	—	1	(1)
Total comprehensive loss attributable to controlling interest	\$ (722)	\$ (413)	\$ (506)

See accompanying notes.

TRANSOCEAN LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	December 31,	
	2022	2021
Assets		
Cash and cash equivalents	\$ 683	\$ 976
Accounts receivable, net	485	492
Materials and supplies, net	388	392
Restricted cash and cash equivalents	308	436
Other current assets	144	148
Total current assets	2,008	2,444
Property and equipment	24,217	23,152
Less accumulated depreciation	(6,748)	(6,054)
Property and equipment, net	17,469	17,098
Contract intangible assets	56	173
Deferred tax assets, net	13	7
Other assets	890	959
Total assets	\$ 20,436	\$ 20,681
Liabilities and equity		
Accounts payable	\$ 281	\$ 228
Accrued income taxes	19	17
Debt due within one year	719	513
Other current liabilities	539	545
Total current liabilities	1,558	1,303
Long-term debt	6,628	6,657
Deferred tax liabilities, net	493	447
Other long-term liabilities	965	1,068
Total long-term liabilities	8,086	8,172
Commitments and contingencies		
Shares, CHF 0.10 par value, 905,093,509 authorized, 142,362,675 conditionally authorized, 797,244,753 issued and 721,888,427 outstanding at December 31, 2022, and 891,379,306 authorized, 142,363,356 conditionally authorized, 728,176,456 issued and 655,505,335 outstanding at December 31, 2021	71	64
Additional paid-in capital	13,984	13,683
Accumulated deficit	(3,079)	(2,458)
Accumulated other comprehensive loss	(185)	(84)
Total controlling interest shareholders' equity	10,791	11,205
Noncontrolling interest	1	1
Total equity	10,792	11,206
Total liabilities and equity	\$ 20,436	\$ 20,681

See accompanying notes.

TRANSOCEAN LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in millions)

	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2022	2021	2020
Shares						
Balance, beginning of period	655	615	612	\$ 64	\$ 60	\$ 59
Issuance of shares	67	40	3	7	4	1
Balance, end of period	722	655	615	\$ 71	\$ 64	\$ 60
Additional paid-in capital						
Balance, beginning of period				\$ 13,683	\$ 13,501	\$ 13,424
Share-based compensation				29	28	31
Issuance of shares				256	154	(1)
Issuance of warrants				16	—	—
Equity component of convertible debt instruments				—	—	46
Other, net				—	—	1
Balance, end of period				\$ 13,984	\$ 13,683	\$ 13,501
Accumulated deficit						
Balance, beginning of period				\$ (2,458)	\$ (1,866)	\$ (1,297)
Net loss attributable to controlling interest				(621)	(592)	(567)
Effect of adopting accounting standards update				—	—	(2)
Balance, end of period				\$ (3,079)	\$ (2,458)	\$ (1,866)
Accumulated other comprehensive loss						
Balance, beginning of period				\$ (84)	\$ (263)	\$ (324)
Other comprehensive income (loss) attributable to controlling interest				(101)	179	61
Balance, end of period				\$ (185)	\$ (84)	\$ (263)
Total controlling interest shareholders' equity						
Balance, beginning of period				\$ 11,205	\$ 11,432	\$ 11,862
Total comprehensive loss attributable to controlling interest				(722)	(413)	(506)
Share-based compensation				29	28	31
Issuance of shares				263	158	—
Issuance of warrants				16	—	—
Equity component of convertible debt instruments				—	—	46
Other, net				—	—	(1)
Balance, end of period				\$ 10,791	\$ 11,205	\$ 11,432
Noncontrolling interest						
Balance, beginning of period				\$ 1	\$ 3	\$ 5
Total comprehensive income (loss) attributable to noncontrolling interest				—	1	(1)
Acquisition of noncontrolling interest				—	(3)	—
Other, net				—	—	(1)
Balance, end of period				\$ 1	\$ 1	\$ 3
Total equity						
Balance, beginning of period				\$ 11,206	\$ 11,435	\$ 11,867
Total comprehensive loss				(722)	(412)	(507)
Share-based compensation				29	28	31
Issuance of shares				263	158	—
Issuance of warrants				16	—	—
Acquisition of noncontrolling interest				—	(3)	—
Equity component of convertible debt instruments				—	—	46
Other, net				—	—	(2)
Balance, end of period				\$ 10,792	\$ 11,206	\$ 11,435

See accompanying notes.

TRANSOCEAN LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years ended December 31,		
	2022	2021	2020
Cash flows from operating activities			
Net loss	\$ (621)	\$ (591)	\$ (568)
Adjustments to reconcile to net cash provided by operating activities:			
Contract intangible asset amortization	117	220	215
Depreciation and amortization	735	742	781
Share-based compensation expense	29	28	31
Loss on impairment	—	—	597
Loss on impairment of investment in unconsolidated affiliates	—	37	62
Loss on disposal of assets, net	10	62	84
Fair value adjustment to bifurcated compound exchange feature	157	—	—
Gain on restructuring and retirement of debt	(8)	(51)	(533)
Deferred income tax expense	46	128	60
Other, net	77	77	83
Changes in deferred revenues, net	(20)	(108)	(73)
Changes in deferred costs, net	1	(6)	12
Changes in other operating assets and liabilities, net	(75)	37	(353)
Net cash provided by operating activities	448	575	398
Cash flows from investing activities			
Capital expenditures	(717)	(208)	(265)
Investments in equity of unconsolidated affiliates	(42)	(1)	(19)
Investments in loans to unconsolidated affiliates	(5)	(33)	(2)
Proceeds from disposal of assets, net	7	9	24
Proceeds from maturities of unrestricted and restricted investments	—	—	5
Net cash used in investing activities	(757)	(233)	(257)
Cash flows from financing activities			
Repayments of debt	(554)	(606)	(1,637)
Proceeds from issuance of shares, net of issue costs	263	158	—
Proceeds from issuance of debt, net of issue costs	175	—	743
Proceeds from issuance of warrants, net of issue costs	12	—	—
Other, net	(8)	(42)	(36)
Net cash used in financing activities	(112)	(490)	(930)
Net decrease in unrestricted and restricted cash and cash equivalents	(421)	(148)	(789)
Unrestricted and restricted cash and cash equivalents, beginning of period	1,412	1,560	2,349
Unrestricted and restricted cash and cash equivalents, end of period	\$ 991	\$ 1,412	\$ 1,560

See accompanying notes.

TRANSOCEAN LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—BUSINESS

Transocean Ltd. (together with its subsidiaries and predecessors, unless the context requires otherwise, “Transocean,” “we,” “us” or “our”) is a leading international provider of offshore contract drilling services for oil and gas wells. As of December 31, 2022, we owned or had partial ownership interests in and operated a fleet of 38 mobile offshore drilling units, consisting of 28 ultra-deepwater floaters and 10 harsh environment floaters. As of December 31, 2022, we were constructing one ultra-deepwater drillship and held a noncontrolling ownership interest in a company that is constructing one ultra-deepwater drillship.

We provide, as our primary business, contract drilling services in a single operating segment, which involves contracting our mobile offshore drilling rigs, related equipment and work crews to drill oil and gas wells. We specialize in technically demanding regions of the global offshore drilling business with a particular focus on ultra-deepwater and harsh environment drilling services. Our drilling fleet is one of the most versatile fleets in the world, consisting of drillships and semisubmersible floaters used in support of offshore drilling activities and offshore support services on a worldwide basis.

We perform contract drilling services by deploying our high-specification fleet in a single, global market that is geographically dispersed in oil and gas exploration and development areas throughout the world. The location of our rigs and the allocation of our resources to build or upgrade rigs are determined by the activities and needs of our customers.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Accounting estimates—To prepare financial statements in accordance with accounting principles generally accepted in the United States (“U.S.”), we must make judgments by applying estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates and assumptions, including those related to our income taxes, property and equipment, equity investments, contingencies, allowance for excess materials and supplies, intangibles, postemployment benefit plans and share-based compensation. We base our estimates and assumptions on historical experience and other factors that we believe are reasonable. Actual results could differ from such estimates.

Fair value measurements—We estimate fair value at an exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Our valuation techniques require inputs that we categorize using a three-level hierarchy, from highest to lowest level of observable inputs, as follows: (1) significant observable inputs, including unadjusted quoted prices for identical assets or liabilities in active markets (“Level 1”), (2) 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 (“Level 2”) and (3) significant unobservable inputs, including those that require considerable judgment for which there is little or no market data (“Level 3”). 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.

Consolidation—We consolidate entities in which we have a majority voting interest and entities that meet the criteria for variable interest entities for which we are deemed to be the primary beneficiary for accounting purposes. We eliminate intercompany transactions and accounts in consolidation. We apply the equity method of accounting for an equity investment in an unconsolidated entity if we have the ability to exercise significant influence over the entity that (a) does not meet the variable interest entity criteria or (b) meets the variable interest entity criteria, but for which we are not deemed to be the primary beneficiary. We measure other equity investments at fair value if the investment has a fair value that is readily determinable; otherwise, we measure the investment at cost, less any impairment. We separately present within equity on our consolidated balance sheets the ownership interests attributable to parties with noncontrolling interests in our consolidated subsidiaries, and we separately present net income attributable to such parties on our consolidated statements of operations. See Note 3—Unconsolidated Affiliates and Note 13—Equity.

Revenues and related pre-operating costs—We recognize revenues earned under our drilling contracts based on variable dayrates, which range from a full operating dayrate to lower rates or zero rates for periods when drilling operations are interrupted or restricted, based on the specific activities we perform during the contract on an hourly, or more frequent, basis. Such dayrate consideration is attributed to the distinct time period to which it relates within the contract term, and therefore, is recognized as we perform the services. When the operating dayrate declines over the contract term, we recognize revenues on a straight-line basis over the estimated contract period. We recognize reimbursement revenues and the corresponding costs as we provide the customer-requested goods and services, when such reimbursable costs are incurred while performing drilling operations. Prior to performing drilling operations, we may receive pre-operating revenues, on either a fixed lump-sum or variable dayrate basis, for mobilization, contract preparation, customer-requested goods and services or capital upgrades, for which we record a contract liability and recognize as revenues on a straight-line basis over the estimated contract period. We recognize losses for loss contracts as such losses are incurred. We recognize revenues for demobilization over the contract period unless otherwise constrained. We recognize revenues from contract terminations as we fulfill our obligations and all contingencies have been resolved. We apply the optional exemption that permits us to exclude disclosure of the estimated transaction price related to the variable portion of unsatisfied performance obligations at the end of the reporting period, as our transaction price is

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

typically based on a single performance obligation consisting of a series of distinct hourly, or more frequent, periods, the variability of which will be resolved at the time of the future services.

To obtain contracts with our customers, we incur pre-operating costs to prepare a rig for contract and mobilize a rig to the drilling location. We defer such pre-operating contract preparation and mobilization costs for recognition in operating and maintenance costs over the estimated contract period on a straight-line basis, consistent with the general pace of activity. See Note 4—Revenues.

Contract intangible assets—We recognize contract intangible assets related to acquired executory contracts, such as drilling contracts. The drilling contract intangible assets represent the amount by which the fixed dayrates of the acquired contracts were above the market dayrates that were available or expected to be available during the term of the contract for similar contracts, measured as of the acquisition date. We amortize the carrying amount of the drilling contract intangible assets using the straight-line method as a reduction of contract drilling revenues over the expected remaining contract period. See Note 5—Contract Intangible Assets.

Share-based compensation—To measure the fair values of granted or modified service-based restricted share units, we use the market price of our shares on the grant date or modification date. To measure the fair values of granted or modified stock options, we use the Black-Scholes-Merton option-pricing model and apply assumptions for the expected life, risk-free interest rate, expected volatility and dividend yield. To measure the fair values of granted or modified performance-based restricted share units subject to market factors, we use a Monte Carlo simulation model and, in addition to the assumptions applied for the Black-Scholes-Merton option-pricing model, we use a risk neutral approach and an average price at the performance start date. To measure the fair values of granted or modified performance-based restricted share units that are subject to performance targets, we use the market price of our shares on the grant date or modification date adjusted for the projected performance rate expected to be achieved at the end of the measurement period. We recognize share-based compensation expense in the same financial statement line item as cash compensation paid to the respective employees or non-employee directors. We recognize such compensation expense on a straight-line basis over the service period through the date the employee or non-employee director is no longer required to provide service to earn the award. See Note 14—Share-Based Compensation.

Capitalized interest—We capitalize interest costs for qualifying construction and upgrade projects and only capitalize interest costs during periods in which progress for the construction projects continues to be underway. In the years ended December 31, 2022, 2021 and 2020, we capitalized interest costs of \$73 million, \$50 million and \$47 million, respectively, for our construction work in progress.

Functional currency—We consider the U.S. dollar to be the functional currency for all of our operations since the majority of our revenues and expenditures are denominated in U.S. dollars, which limits our exposure to currency exchange rate fluctuations. We recognize currency exchange rate gains and losses in other, net. In the years ended December 31, 2022, 2021 and 2020, we recognized a net loss of \$8 million, \$1 million and \$8 million, respectively, related to currency exchange rates.

Income taxes—We provide for income taxes based on expected taxable income, statutory rates, tax laws and tax planning opportunities available to us in the jurisdictions in which we operate or have a taxable presence. We recognize the effect of changes in tax laws as of the date of enactment. We recognize potential global intangible low-taxed income inclusions as a period cost.

We maintain liabilities for estimated tax exposures in our jurisdictions of operation, and we recognize the provisions and benefits resulting from changes to those liabilities in our income tax expense or benefit along with related interest and penalties. Income tax exposure items include potential challenges to permanent establishment positions, intercompany pricing, disposition transactions, and withholding tax rates and their applicability. These tax exposures are resolved primarily through the settlement of audits within these tax jurisdictions or by judicial means, but can also be affected by changes in applicable tax law or other factors, which could cause us to revise past estimates.

We measure deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the deferred tax assets and liabilities are expected to be recovered or paid. In evaluating our ability to realize deferred tax assets, we consider all available positive and negative evidence, including projected future taxable income and the existence of cumulative losses in recent years. We record a valuation allowance for deferred tax assets when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized. For example, we may record a valuation allowance for deferred tax assets resulting from net operating losses incurred during the year in certain jurisdictions for which the benefit of the losses will not be realized or for foreign tax credit carryforwards that may expire prior to their utilization. See Note 10—Income Taxes.

Cash and cash equivalents—We consider cash equivalents to include highly liquid debt instruments with original maturities of three months or less, such as time deposits with commercial banks that have high credit ratings, U.S. Treasury and government securities, Eurodollar time deposits, certificates of deposit and commercial paper. We may also invest excess funds in no-load, open-ended, management investment trusts. Such management trusts invest exclusively in high-quality money market instruments.

Restricted cash and cash equivalents—We maintain restricted cash and cash equivalents that are either pledged for debt service under certain bond indentures, as required under certain bank credit arrangements, or held in accounts that are subject to restrictions due to legislation, regulation or court order. We classify such restricted cash and cash equivalents in current assets if the restriction is expected to expire or otherwise be resolved within one year or if such funds are considered to offset liabilities that are properly classified as current liabilities. See Note 8—Debt and Note 12—Commitments and Contingencies.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

Materials and supplies—We record materials and supplies at their average cost less an allowance for excess items. We estimate the allowance for excess items based on historical experience and expectations for future use of the materials and supplies. During the year ended December 31, 2021, we identified certain materials and supplies that were in excess of our expected future usage based on our current market outlook, and as a result of these items, we increased our allowance by \$28 million (\$0.04 per diluted share, net of tax). At December 31, 2022 and 2021, our allowance for excess items was \$199 million and \$183 million, respectively.

Assets held for sale—We classify an asset as held for sale when the facts and circumstances meet the criteria for such classification, including the following: (a) we have committed to a plan to sell the asset, (b) the asset is available for immediate sale, (c) we have initiated actions to complete the sale, including locating a buyer, (d) the sale is expected to be completed within one year, (e) the asset is being actively marketed at a price that is reasonable relative to its fair value, and (f) the plan to sell is unlikely to be subject to significant changes or termination. At December 31, 2022 and 2021, we had no assets classified as held for sale.

Property and equipment—We apply judgment to account for our property and equipment, consisting primarily of offshore drilling rigs and related equipment, related to estimates and assumptions for cost capitalization, useful lives and salvage values. We base our estimates and assumptions on historical experience and expectations regarding future industry conditions and operations. At December 31, 2022, the aggregate carrying amount of our property and equipment represented approximately 85 percent of our total assets.

We capitalize expenditures for newbuilds, renewals, replacements and improvements, including capitalized interest, if applicable, and we recognize the expense for maintenance and repair costs as incurred. For newbuild construction projects, we also capitalize the initial preparation, mobilization and commissioning costs incurred until the drilling unit is placed into service. Upon sale or other disposition of an asset, we recognize a net gain or loss on disposal of the asset, which is measured as the difference between the net carrying amount of the asset and the net proceeds received. We compute depreciation using the straight-line method after allowing for salvage values.

The estimated original useful life of our drilling units is 35 years, our buildings and improvements range from three to 30 years and our machinery and equipment range from four to 20 years. We reevaluate the remaining useful lives and salvage values of our rigs when certain events occur that directly impact the useful lives and salvage values of the rigs, including changes in operating condition, functional capability and market and economic factors. When evaluating the remaining useful lives of rigs, we also consider major capital upgrades required to perform certain contracts and the long-term impact of those upgrades on future marketability.

Long-lived asset impairment—We review the carrying amounts of long-lived assets, including property and equipment and right-of-use assets, for potential impairment when events occur or circumstances change that indicate that the carrying amount of such assets may not be recoverable. For assets classified as held and used, we determine recoverability by evaluating the estimated undiscounted future net cash flows based on projected dayrates and utilization of the asset group under review. We consider our asset groups to be ultra-deepwater floaters and harsh environment floaters. When an impairment of one or more of our asset groups is indicated, we measure the impairment as the amount by which the asset group's carrying amount exceeds its estimated fair value. We measure the fair values of our asset groups by applying a variety of valuation methods, incorporating a combination of income, market and cost approaches, using projected discounted cash flows and estimates of the exchange price that would be received for the assets in the principal or most advantageous market for the assets in an orderly transaction between market participants as of the measurement date. For an asset classified as held for sale, we consider the asset to be impaired to the extent its carrying amount exceeds its estimated fair value less cost to sell. See Note 6—Long-Lived Assets.

Equity investments and impairment—We review our equity-method investments, and other equity investments for which a readily determinable fair value is not available, for potential impairment when events or changes in circumstances indicate that the carrying amount of the investment might not be recoverable in the near term. If we determine that an impairment that is other than temporary exists, we recognize an impairment loss, measured as the amount by which the carrying amount of the investment exceeds its estimated fair value. To estimate the fair value of the investment, we apply valuation methods that rely primarily on the income and market approaches. In the years ended December 31, 2021 and 2020, we recognized a loss of \$37 million and \$62 million, respectively, associated with the other-than-temporary impairment of the carrying amount of our equity investments. We amortize the basis difference caused by such impairments using the straight-line method over the estimated life of the asset. See Note 3—Unconsolidated Affiliates.

Pension and other postemployment benefit plans—We use a measurement date of January 1 for determining net periodic benefit costs and December 31 for determining plan benefit obligations and the fair values of plan assets. We determine our net periodic benefit costs based on a market-related value of assets that reduces year-to-year volatility by including investment gains or losses subject to amortization over a five-year period from the year in which they occur. We calculate investment gains or losses for this purpose as the difference between the expected return calculated using the market-related value of assets and the actual return based on the market-related value of assets. If gains or losses exceed 10 percent of the greater of plan assets or plan liabilities, we amortize such gains or losses over the average expected future service period of the employee participants.

We measure the actuarially determined obligations and related costs for our defined benefit pension and other postemployment benefit plans, retiree life insurance and medical benefits, by applying assumptions, the most significant of which include long-term rate of return on plan assets, discount rates and mortality rates. For the long-term rate of return, we develop our assumptions regarding the expected rate of return on plan assets based on historical experience and projected long-term investment returns, and we weight the assumptions

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

based on each plan's asset allocation. For the discount rate, we base our assumptions on a yield curve approach using Aa-rated corporate bonds and the expected timing of future benefit payments. At December 31, 2022 and 2021, the funded status of our pension and other postemployment benefit plans represented an aggregate liability of \$174 million and \$132 million, respectively, and an aggregate asset of \$44 million and \$102 million, respectively. See Note 9—Postemployment Benefit Plans.

Contingencies—We assess our contingencies on an ongoing basis to evaluate the appropriateness of our liabilities and disclosures for such contingencies. We establish liabilities for estimated loss contingencies when we believe a loss is probable and the amount of the probable loss can be reasonably estimated. Once established, we adjust the carrying amount of a contingent liability upon the occurrence of a recognizable event when facts and circumstances change, altering our previous assumptions with respect to the likelihood or amount of loss. We recognize corresponding assets for those loss contingencies that we believe are probable of being recovered through insurance. We recognize expense for legal costs as they are incurred, and we recognize a corresponding asset for such legal costs only if we expect such legal costs to be recovered through insurance.

NOTE 3—UNCONSOLIDATED AFFILIATES

Equity investments

Overview—We hold noncontrolling equity investments in various unconsolidated companies, including (a) our 33 percent ownership interest in Orion Holdings (Cayman) Limited (together with its subsidiary, "Orion"), a Cayman Islands company that owns the harsh environment floater *Transocean Norge*, (b) our 20 percent ownership interest in Liquila Ventures Ltd. (together with its subsidiaries, "Liquila"), a Bermuda company formed to construct, own and operate the newbuild ultra-deepwater drillship *Deepwater Aquila*, (c) our 20 percent ownership interest in Nauticus Robotics, Inc., a publicly traded company that develops highly sophisticated, ultra-sustainable marine robots and intelligent software to power them, (d) our interests in Ocean Minerals LLC, the parent company of Moana Minerals Ltd., a Cook Islands subsea resource development company that intends to explore and extract polymetallic nodules, and (e) our interests in certain other companies that are involved in researching and developing technology to improve efficiency, reliability, sustainability and safety for drilling and other activities. In the years ended December 31, 2022, 2021 and 2020, we recognized a net loss of \$24 million, \$10 million and \$10 million, respectively, recorded in other income and expense, associated with equity in losses of our equity investments. At December 31, 2022 and 2021, the aggregate carrying amount of our equity investments was \$113 million and \$91 million, respectively, recorded in other assets.

In November 2022, we and Perestroika AS ("Perestroika"), an entity affiliated with one of our directors that beneficially owns approximately 11 percent of our shares, each made a cash contribution of \$15 million and \$10 million, respectively, to Liquila. The investments represented proportionate contributions, together with a contribution from the holder of the remaining 67 percent ownership interest, that were used to make the initial payment to the shipyard to acquire a newbuild drillship for a purchase price of approximately \$200 million. We concluded that Liquila is a variable interest entity because its equity at risk was insufficient to permit it to carry on its activities without additional subordinated financial support, and we further concluded that we are not the primary beneficiary since the power to direct the activities that most significantly impact its economic performance are jointly controlled. The holder of the remaining 67 percent ownership interest in Liquila may, at any time through November 10, 2023, elect to require us to repurchase up to 80 percent of such holder's initial investment at the value that the holder initially paid therefor. We may, at our election, settle any such repurchase by delivering cash, Transocean Ltd. shares or a combination of cash and shares, where any shares delivered would be valued using the then-current market price of shares. At December 31, 2022, the carrying amount of our investment in Liquila was \$15 million, recorded in other assets.

Impairments—Our equity-method investment in Orion is the most significant of our equity investments. In the years ended December 31, 2021 and 2020, we recognized a loss of \$37 million and \$59 million, respectively, which had no tax effect, recorded in other, net, associated with the impairment of our equity investment in Orion upon determination that the carrying amount exceeded the estimated fair value and that the impairment was other than temporary. We estimated the fair value of our investment by applying the income method using significant unobservable inputs, representative of Level 3 fair value measurements, including an assumed discount rate of 12 percent and assumptions about the future performance of the investment, such as future demand and supply for harsh environment floaters, rig utilization, revenue efficiency and dayrates. At December 31, 2022 and 2021, the aggregate carrying amount of our equity investment in Orion was \$54 million and \$57 million, respectively.

Related party transactions—We engage in certain related party transactions with our unconsolidated affiliates, the most significant of which are under agreements with Orion. We operate, stack and maintain *Transocean Norge* under a management services agreement, and we market *Transocean Norge* under a marketing services agreement. During operations, we lease *Transocean Norge* under a short-term bareboat charter agreement, the next of which is expected to begin in May 2023 and expire in January 2024. In addition to our ownership interest in Liquila, we maintain the exclusive right to market, and once it is placed into service, manage the operations of the rig under a master services agreement. Additionally, we procure and provide services and equipment from and to other unconsolidated affiliates for technological innovation and subsea minerals exploration.

In the years ended December 31, 2022, 2021 and 2020, we received an aggregate cash payment of \$40 million, \$16 million and \$46 million, respectively, primarily for services performed under the management services agreement with Orion. In the years ended

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

December 31, 2022, 2021 and 2020, we recognized rent expense of \$11 million, \$12 million and \$22 million, respectively, recorded in operating and maintenance costs, and made an aggregate cash payment of \$10 million, \$15 million and \$22 million, respectively, to charter the rig and rent other equipment from Orion. In the years ended December 31, 2022, 2021 and 2020, we made an aggregate cash payment of \$7 million, \$6 million and \$15 million, respectively, to other unconsolidated affiliates for research and development and for equipment to reduce emissions and improve reliability.

In June 2021, Orion refinanced its shipyard loans under a financing arrangement for \$100 million, and we made a cash investment of \$33 million in the loan facility. The financing arrangement, which expires in June 2024, requires interest to be paid on outstanding borrowings at the London Interbank Offered Rate plus a margin of 6.50 percent per annum. Borrowings under the financing arrangement are secured by *Transocean Norge*. At December 31, 2022 and 2021, the aggregate principal amount due to us under the various financing arrangements with our unconsolidated affiliates was \$41 million and \$36 million, respectively, recorded in other assets.

Subsequent event

In February 2023, we agreed to make an investment for a noncontrolling ownership interest in Global Sea Mineral Resources, a Belgian company and leading developer of nodule collection technology, which is engaged in the development and exploration of deep-sea polymetallic nodules that contain metals critical to the growing renewable energy market. In addition to a cash investment of \$10 million, we agreed to contribute the ultra-deepwater drillship *Ocean Rig Olympia*, and we expect to contribute engineering services in the future. In the three months ending March 31, 2023, we expect to recognize a material loss associated with the contribution of the rig and related assets.

NOTE 4—REVENUES

Overview—We earn revenues primarily by performing the following activities: (i) providing our drilling rig, work crews, related equipment and services necessary to operate the rig (ii) delivering the drilling rig by mobilizing to and demobilizing from the drill location, and (iii) performing certain pre-operating activities, including rig preparation activities or equipment modifications required for the contract. These services represent a single performance obligation under most all of our drilling contracts with customers that is satisfied over time, the duration of which varies by contract. At December 31, 2022, the drilling contract with the longest expected remaining duration, excluding unexercised options, extends through July 2029.

Disaggregation—Our contract drilling revenues, disaggregated by asset group and by country in which they were earned, were as follows (in millions):

	Year ended December 31, 2022			Year ended December 31, 2021			Year ended December 31, 2020			
	Ultra-deepwater floaters	Harsh environment floaters	Total	Ultra-deepwater floaters	Harsh environment floaters	Total	Ultra-deepwater floaters	Harsh environment floaters	Midwater floaters	Total
U.S.	\$ 1,135	\$ —	\$ 1,135	\$ 1,096	\$ 2	\$ 1,098	\$ 1,302	\$ —	\$ —	\$ 1,302
Norway	—	835	835	—	790	790	—	876	—	876
Other countries (a)	573	32	605	624	44	668	792	170	12	974
Total contract drilling revenues	\$ 1,708	\$ 867	\$ 2,575	\$ 1,720	\$ 836	\$ 2,556	\$ 2,094	\$ 1,046	\$ 12	\$ 3,152

(a) The aggregate contract drilling revenues earned in other countries that individually represented less than 10 percent of total contract drilling revenues.

Major customers—For the year ended December 31, 2022, Shell plc (together with its affiliates, “Shell”), Equinor ASA (together with its affiliates, “Equinor”) and Petróleo Brasileiro S.A. represented approximately 33 percent, 25 percent and 11 percent, respectively, of our consolidated operating revenues. For the year ended December 31, 2021, Shell and Equinor represented approximately 31 percent and 30 percent, respectively, of our consolidated operating revenues. For the year ended December 31, 2020, Shell, Equinor and Chevron Corporation represented approximately 28 percent, 27 percent and 14 percent, respectively, of our consolidated operating revenues.

Contract liabilities—Contract liabilities for our contracts with customers were as follows (in millions):

	December 31,	
	2022	2021
Deferred contract revenues, recorded in other current liabilities	\$ 124	\$ 83
Deferred contract revenues, recorded in other long-term liabilities	204	265
Total contract liabilities	\$ 328	\$ 348

Significant changes in contract liabilities were as follows (in millions):

	Years ended December 31,	
	2022	2021
Total contract liabilities, beginning of period	\$ 348	\$ 456
Decrease due to recognition of revenues for goods and services	(119)	(149)
Increase due to goods and services transferred over time	99	41
Total contract liabilities, end of period	\$ 328	\$ 348

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

Performance obligations satisfied in prior periods—In June 2020, we entered into a settlement and mutual release agreement with a customer, which provided for the final settlement of disputes related to performance obligations satisfied in prior periods. In connection with the settlement, among other things, our customer agreed to pay us \$185 million in four equal installments through January 15, 2023. In the year ended December 31, 2020, we recognized revenues of \$177 million, representing the discounted value of the future payments, and recorded corresponding accounts receivable, net of imputed interest. In each of the three years ended December 31, 2022, we received an aggregate cash payment of \$46 million in scheduled installments under the arrangement. At December 31, 2022, the aggregate carrying amount of the related receivable was \$46 million, net of imputed interest, recorded in accounts receivable. At December 31, 2021, the aggregate carrying amount of the related receivable was \$90 million, net of imputed interest, including \$46 million and \$44 million, recorded in accounts receivable and other assets, respectively.

Pre-operating costs—In the years ended December 31, 2022, 2021 and 2020, we recognized pre-operating costs of \$47 million, \$48 million and \$60 million, respectively, recorded in operating and maintenance costs. At December 31, 2022 and 2021, the unrecognized pre-operating costs to obtain contracts was \$26 million and \$21 million, respectively, recorded in other assets.

NOTE 5—CONTRACT INTANGIBLE ASSETS

The gross carrying amount and accumulated amortization of our drilling contract intangible assets were as follows (in millions):

	Year ended December 31, 2022			Year ended December 31, 2021		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Drilling contract intangible assets						
Balance, beginning of period	\$ 907	\$ (734)	\$ 173	\$ 907	\$ (514)	\$ 393
Amortization	—	(117)	(117)	—	(220)	(220)
Balance, end of period	<u>\$ 907</u>	<u>\$ (851)</u>	<u>\$ 56</u>	<u>\$ 907</u>	<u>\$ (734)</u>	<u>\$ 173</u>

As of December 31, 2022, the estimated future amortization to be recognized over the expected remaining contract periods in the years ending December 31, 2023 and 2024 was \$52 million and \$4 million, respectively.

NOTE 6—LONG-LIVED ASSETS

Disaggregation—The aggregate carrying amount of our long-lived assets, including our property and equipment and our right-of-use assets, disaggregated by country in which they were located, was as follows (in millions):

	December 31,	
	2022	2021
Long-lived assets		
U.S.	\$ 6,514	\$ 5,779
Norway	3,255	3,379
Greece	3,022	3,162
Other countries (a)	5,171	5,293
Total long-lived assets	<u>\$ 17,962</u>	<u>\$ 17,613</u>

(a) The aggregate carrying amount of long-lived assets located in other countries that individually represented less than 10 percent of total long-lived assets.

Because the majority of our assets are mobile, the geographic locations of such assets at the end of the periods are not necessarily indicative of the geographic distribution of the operating revenues generated by such assets during the periods presented. Our international operations are subject to certain political and other uncertainties, including risks of war and civil disturbances or other market disrupting events, expropriation of equipment, repatriation of income or capital, taxation policies, and the general hazards associated with certain areas in which we operate. Although we are organized under the laws of Switzerland, we have minimal assets located in Switzerland, and we do not conduct any operations or earn operating revenues in Switzerland.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

Construction work in progress—The changes in our construction work in progress were as follows (in millions):

	Years ended December 31,		
	2022	2021	2020
Construction work in progress, beginning of period	\$ 1,017	\$ 828	\$ 753
Capital expenditures			
Newbuild construction program	669	174	143
Other equipment and construction projects	48	34	122
Total capital expenditures	717	208	265
Non-cash capital additions financed under Shipyard Loans	382	—	—
Changes in accrued capital additions	3	13	(33)
Property and equipment placed into service			
Newbuild construction program	(882)	—	—
Other equipment and construction projects	(42)	(32)	(157)
Construction work in progress, end of period	<u>\$ 1,195</u>	<u>\$ 1,017</u>	<u>\$ 828</u>

Impairments of assets held and used—During the year ended December 31, 2020, we identified indicators that the carrying amounts of our asset groups may not be recoverable. Such indicators included significant declines in commodity prices and the market value of our stock, a reduction of expected demand for our drilling services as our customers announced reductions of capital investments in response to commodity prices and a reduction of projected dayrates. As a result of our testing, we determined that the carrying amount of our midwater floater asset group was impaired. In the year ended December 31, 2020, we recognized a loss of \$31 million (\$0.05 per diluted share), which had no tax effect, associated with the impairment of our midwater floater asset group. We estimated the fair value of the rig and related assets in this asset group by applying the market approach using significant other observable inputs, representative of Level 2 fair value measurements, including the marketability of the rig and prices of comparable rigs that may be sold for scrap value.

Impairments of assets held for sale—In the year ended December 31, 2020, we recognized an aggregate loss of \$556 million (\$0.90 per diluted share), which had no tax effect, associated with the impairment of the ultra-deepwater floater *GSF Development Driller II*, the harsh environment floaters *Polar Pioneer* and *Songa Dee* and the midwater floaters *Sedco 711*, *Sedco 714* and *Transocean 712*, along with related assets, which we determined were impaired at the time that we classified the assets as held for sale. We measured the impairment of the drilling units and related assets as the amount by which the carrying amount exceeded the estimated fair value less costs to sell. We estimated the fair value of the assets using significant other observable inputs, representative of Level 2 fair value measurements, including indicative market values for the drilling units and related assets to be sold for scrap value or binding contracts to sell such assets for alternative purposes. If we commit to plans to sell additional rigs for values below the respective carrying amounts, we will be required to recognize additional losses in future periods associated with the impairment of such assets.

Dispositions—During the year ended December 31, 2021, in connection with our efforts to dispose of non-strategic assets, we completed the sale of the harsh environment floater *Leiv Eiriksson* and related assets. During the year ended December 31, 2020, we completed the sale of the ultra-deepwater floater *GSF Development Driller II*, the harsh environment floaters *Polar Pioneer*, *Songa Dee* and *Transocean Arctic* and the midwater floaters *Sedco 711*, *Sedco 714* and *Transocean 712*, along with related assets. In the years ended December 31, 2021 and 2020, we received aggregate net cash proceeds of \$4 million and \$20 million, respectively, and recognized an aggregate net loss of \$57 million (\$0.09 per diluted share) and \$61 million (\$0.10 per diluted share), which had no tax effect, primarily associated with the disposal of these rigs and related assets. In the years ended December 31, 2022, 2021 and 2020, we received aggregate net cash proceeds of \$7 million, \$5 million and \$4 million, respectively and recognized an aggregate net loss of \$10 million, \$5 million and \$23 million, respectively, associated with the disposal of assets unrelated to rig sales.

NOTE 7—LEASES

Overview—Our operating leases are principally for office space, storage facilities, operating equipment and land. At December 31, 2022, our operating leases had a weighted-average discount rate of 6.4 percent and a weighted-average remaining lease term of 12.7 years.

Our finance lease for the ultra-deepwater drillship *Petrobras 10000* has an implicit interest rate of 7.8 percent and requires scheduled monthly installments through the lease expiration in August 2029, after which we are obligated to acquire the drillship from the lessor for one dollar. We recognize expense for the amortization of the right-of-use asset in depreciation and amortization.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

Lease costs—The components of our lease costs were as follows (in millions):

Lease costs	Years ended December 31,		
	2022	2021	2020
Short-term lease costs	\$ 14	\$ 17	\$ 27
Operating lease costs	12	12	13
Finance lease costs, amortization of right-of-use asset	20	20	21
Finance lease costs, interest on lease liability	30	33	36
Total lease costs	\$ 76	\$ 82	\$ 97

Lease payments—Supplemental cash flow information for our leases was as follows (in millions):

	Years ended December 31,		
	2022	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 14	\$ 13	\$ 17
Operating cash flows from finance lease	8	37	36
Financing cash flows from finance lease	3	33	35

At December 31, 2022, the aggregate future minimum lease payments were as follows (in millions):

Years ending December 31,	Operating leases	Finance lease
2023	\$ 13	\$ 65
2024	13	70
2025	12	71
2026	12	70
2027	12	71
Thereafter	98	118
Total future minimum rental payment	160	465
Less amount representing imputed interest	(53)	(102)
Present value of future minimum rental payments	107	363
Current portion, recorded in other current liabilities	7	40
Long-term lease liabilities, recorded in other long-term liabilities	\$ 100	\$ 323

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

NOTE 8—DEBT

Overview

Outstanding debt—The aggregate principal amounts and aggregate carrying amounts, including the contractual interest payments of previously restructured debt, a bifurcated compound exchange feature, and unamortized debt-related balances, such as discounts, premiums and issue costs, were as follows (in millions):

		Principal amount		Carrying amount	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
5.52% Senior Secured Notes due May 2022	(a)	\$ —	\$ 18	\$ —	\$ 18
3.80% Senior Notes due October 2022	(b)	—	27	—	27
0.50% Exchangeable Senior Bonds due January 2023	(b)	49	140	49	140
5.375% Senior Secured Notes due May 2023	(c)	243	306	242	304
5.875% Senior Secured Notes due January 2024	(c)	352	435	350	430
7.75% Senior Secured Notes due October 2024	(c)	240	300	238	296
6.25% Senior Secured Notes due December 2024	(c)	250	313	248	309
6.125% Senior Secured Notes due August 2025	(c)	336	402	332	397
7.25% Senior Notes due November 2025	(d)	354	411	351	406
4.00% Senior Guaranteed Exchangeable Bonds due December 2025	(e)	294	294	271	264
7.50% Senior Notes due January 2026	(d)	569	569	566	565
2.50% Senior Guaranteed Exchangeable Bonds due January 2027	(e)	238	238	265	271
11.50% Senior Guaranteed Notes due January 2027	(e)	687	687	1,008	1,078
6.875% Senior Secured Notes due February 2027	(c)	482	550	477	544
8.00% Senior Notes due February 2027	(d)	612	612	608	607
7.45% Notes due April 2027	(b)	52	52	52	52
8.00% Debentures due April 2027	(b)	22	22	22	22
4.50% Shipyard Loans due September 2027	(f)	439	—	389	—
7.00% Notes due June 2028	(f)	261	261	264	265
4.625% Senior Guaranteed Exchangeable Bonds due September 2029	(d)	300	—	440	—
7.50% Notes due April 2031	(b)	396	396	394	394
6.80% Senior Notes due March 2038	(b)	610	610	605	605
7.35% Senior Notes due December 2041	(b)	177	177	176	176
Total debt		6,963	6,820	7,347	7,170
Less debt due within one year					
5.52% Senior Secured Notes due May 2022	(a)	—	18	—	18
3.80% Senior Notes due October 2022	(b)	—	27	—	27
0.50% Exchangeable Senior Bonds due January 2023	(b)	49	—	49	—
5.375% Senior Secured Notes due May 2023	(c)	243	63	242	62
5.875% Senior Secured Notes due January 2024	(c)	83	83	81	80
7.75% Senior Secured Notes due October 2024	(c)	60	60	59	58
6.25% Senior Secured Notes due December 2024	(c)	62	62	61	61
6.125% Senior Secured Notes due August 2025	(c)	66	66	64	64
2.50% Senior Guaranteed Exchangeable Bonds due January 2027	(e)	—	—	6	6
11.50% Senior Guaranteed Notes due January 2027	(e)	—	—	70	70
6.875% Senior Secured Notes due February 2027	(c)	69	69	67	67
4.50% Shipyard Loans due September 2027	(f)	20	—	20	—
Total debt due within one year		652	448	719	513
Total long-term debt		\$ 6,311	\$ 6,372	\$ 6,628	\$ 6,657

- (a) The subsidiary issuer of the unregistered senior secured notes is a wholly owned indirect subsidiary of Transocean Inc. The senior secured notes were fully and unconditionally guaranteed by the owner of the collateral rig.
- (b) Transocean Inc., a wholly owned direct subsidiary of Transocean Ltd., is the issuer of the notes and debentures (the "Legacy Guaranteed Notes"). The Legacy Guaranteed Notes are fully and unconditionally, jointly and severally, guaranteed by Transocean Ltd.
- (c) Each subsidiary issuer of the respective unregistered senior secured notes is a wholly owned indirect subsidiary of Transocean Inc. The senior secured notes are fully and unconditionally, jointly and severally, guaranteed by Transocean Ltd., Transocean Inc. and, in each case, the owner of the respective collateral rig or rigs.
- (d) Transocean Inc. is the issuer of the unregistered notes (collectively, the "Priority Guaranteed Notes"). The guaranteed senior unsecured notes are fully and unconditionally, jointly and severally, guaranteed by Transocean Ltd. and certain wholly owned indirect subsidiaries of Transocean Inc. and rank equal in right of payment of all of our existing and future unsecured unsubordinated obligations. Such notes are structurally senior to the Legacy Guaranteed Notes, the 4.50% shipyard loans due September 2027 (each, a "Shipyard Loan", and together, the "Shipyard Loans") and the 7.00% notes due June 2028 and are structurally subordinate to the Senior Priority Guaranteed Notes, as defined below, to the extent of the value of the assets of the subsidiaries guaranteeing the notes.
- (e) Transocean Inc. is the issuer of the unregistered notes (together, the "Senior Priority Guaranteed Notes"). The priority guaranteed senior unsecured notes are fully and unconditionally, jointly and severally, guaranteed by Transocean Ltd. and certain wholly owned indirect subsidiaries of Transocean Inc. and rank equal

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

in right of payment of all of our existing and future unsecured unsubordinated obligations. Such notes are structurally senior to the Priority Guaranteed Notes to the extent of the value of the assets of the subsidiaries guaranteeing the notes.

- (f) The subsidiary borrowers under the Shipyard Loans and the subsidiary issuer of the registered notes are wholly owned indirect subsidiaries of Transocean Inc. The loans and notes are fully and unconditionally guaranteed by Transocean Inc.

Transocean Ltd. has no independent assets or operations, and its other subsidiaries not owned indirectly through Transocean Inc. are minor. Transocean Inc. has no independent assets and operations, other than those related to its investments in non-guarantor operating companies and balances primarily pertaining to its cash and cash equivalents and debt. Transocean Ltd. and Transocean Inc. are not subject to any significant restrictions on their ability to obtain funds from their consolidated subsidiaries by dividends, loans or capital distributions.

Indentures—The indentures that govern our debt generally contain covenants that, among other things, limit our ability to incur certain liens on our drilling units without equally and ratably securing the notes, to engage in certain sale and lease back transactions covering any of our drilling units, to allow our subsidiaries to incur certain additional debt, or to engage in certain merger, consolidation or reorganization transactions or to enter into a scheme of arrangement qualifying as an amalgamation.

The indentures that govern the 0.50% exchangeable senior bonds due January 2023 (the “0.50% Exchangeable Senior Bonds”), the 4.00% senior guaranteed exchangeable bonds due December 2025 (the “4.00% Senior Guaranteed Exchangeable Bonds”), the 2.50% senior guaranteed exchangeable bonds due January 2027 (the “2.50% Senior Guaranteed Exchangeable Bonds”) and the 4.625% senior guaranteed exchangeable bonds due September 2029 (the “4.625% Senior Guaranteed Exchangeable Bonds”) require such bonds to be repurchased upon the occurrence of certain fundamental changes and events, at specified prices depending on the particular fundamental change or event, which include changes and events related to certain (i) change of control events applicable to Transocean Ltd. or Transocean Inc., (ii) the failure of our shares to be listed or quoted on a national securities exchange and (iii) specified tax matters.

The indentures that govern the 5.375% Senior Secured Notes due May 2023 (the “5.375% Senior Secured Notes”), the 5.875% senior secured notes due January 2024 (the “5.875% Senior Secured Notes”), the 7.75% senior secured notes due October 2024 (the “7.75% Senior Secured Notes”), the 6.25% senior secured notes due December 2024 (the “6.25% Senior Secured Notes”), the 6.125% senior secured notes due August 2025 (the “6.125% Senior Secured Notes”) and the 6.875% senior secured notes due February 2027 contain covenants that limit the ability of our subsidiaries that own or operate the collateral rigs to declare or pay dividends to their affiliates.

The indentures that govern our senior secured notes contain certain lien requirements. At December 31, 2022, we had restricted cash and cash equivalents of \$276 million deposited in restricted accounts to satisfy debt service and reserve requirements for the senior secured notes. At December 31, 2022, the rigs encumbered for the senior secured notes and our Shipyard Loans, including *Deepwater Atlas*, *Deepwater Pontus*, *Deepwater Poseidon*, *Deepwater Proteus*, *Deepwater Thalassa*, *Transocean Enabler*, *Transocean Encourage* and *Transocean Endurance*, had an aggregate carrying amount of \$5.45 billion. We will be required to redeem the senior secured notes at a price equal to 100 percent of the aggregate principal amount without a make-whole premium, upon the occurrence of certain events related to the respective collateral rigs and related drilling contracts.

Interest rate adjustments—The interest rates for the 7.35% senior notes due December 2041 (the “7.35% Senior Notes”) are subject to adjustment from time to time upon a change to the credit rating of our non-credit enhanced senior unsecured long-term debt. At December 31, 2022, the interest rate in effect for the 7.35% Senior Notes was 9.35 percent.

Scheduled maturities—At December 31, 2022, the scheduled maturities of our debt, including the principal installments and other installments, representing the contractual interest payments of previously restructured debt, were as follows (in millions):

Years ending December 31,	Principal installments	Other installments	Total
2023	\$ 652	\$ 76	\$ 728
2024	875	77	952
2025	1,054	78	1,132
2026	788	78	866
2027	1,850	39	1,889
Thereafter	1,744	—	1,744
Total installments of debt	<u>\$ 6,963</u>	<u>\$ 348</u>	<u>7,311</u>
Total unamortized debt-related balances, net			(259)
Bifurcated compound exchange feature, at estimated fair value			295
Total carrying amount of debt			<u>\$ 7,347</u>

Credit agreements

Secured Credit Facility—As of December 31, 2022, we have a secured revolving credit facility established under a bank credit agreement (as amended from time to time, the “Secured Credit Facility”), which is scheduled to mature on June 22, 2025. In July 2022, we

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

amended the bank credit agreement for our Secured Credit Facility to, among other things, (i) extend the maturity date from June 22, 2023 to June 22, 2025, (ii) reduce the borrowing capacity from \$1.33 billion to \$774 million through June 22, 2023, and thereafter reduce the borrowing capacity to \$600 million through June 22, 2025 and (iii) replace our ability to borrow under the Secured Credit Facility at the reserve adjusted London Interbank Offered Rate plus a margin (the “Secured Credit Facility Margin”) with the ability to borrow under the Secured Credit Facility at a forward looking term rate based on the secured overnight financing rate (“Term SOFR”) plus the Secured Credit Facility Margin and a Term SOFR spread adjustment of 0.10 percent. The Secured Credit Facility is subject to permitted extensions and certain early maturity triggers, including if on any date the aggregate amount of scheduled principal repayments of indebtedness, with certain exceptions, due within 91 days thereof is equal to or in excess of \$200 million and available cash is less than \$250 million. The amended secured credit facility also permits us to increase the aggregate amount of commitments by up to \$250 million. The Secured Credit Facility is guaranteed by Transocean Ltd. and certain wholly owned subsidiaries. The Secured Credit Facility is secured by, among other things, a lien on the ultra-deepwater floaters *Deepwater Asgard*, *Deepwater Corcovado*, *Deepwater Invictus*, *Deepwater Mykonos*, *Deepwater Orion*, *Deepwater Skyros*, *Development Driller III*, *Dhirubhai Deepwater KG2* and *Discoverer Inspiration* and the harsh environment floaters *Transocean Barents* and *Transocean Spitsbergen*, and at December 31, 2022, the aggregate carrying amount of which was \$4.87 billion.

The Secured Credit Facility contains covenants that, among other things, include maintenance of a minimum guarantee coverage ratio of 3.0 to 1.0, a minimum collateral coverage ratio of 2.1 to 1.0, a maximum debt to capitalization ratio of 0.60 to 1.00 and minimum liquidity of \$500 million. The Secured Credit Facility also restricts the ability of Transocean Ltd. and certain of our subsidiaries to, among other things, merge, consolidate or otherwise make changes to the corporate structure, incur liens, incur additional indebtedness, enter into transactions with affiliates and pay dividends and other distributions. In order to utilize the Secured Credit Facility, we must, at the time of the borrowing request, be in full compliance with the terms and conditions of the Secured Credit Facility and make certain representations and warranties, including with respect to compliance with laws and solvency, to the lenders. Repayment of borrowings under the Secured Credit Facility are subject to acceleration upon the occurrence of an event of default. Under the agreements governing certain of our debt and finance lease, we are also subject to various covenants, including restrictions on creating liens, engaging in sale/leaseback transactions and engaging in certain merger, consolidation or reorganization transactions. A default under our public debt indentures, the agreements governing our senior secured notes, our finance lease contract or any other debt owed to unaffiliated entities that exceeds \$125 million could trigger a default under the Secured Credit Facility and, if not waived by the lenders, could cause us to lose access to the Secured Credit Facility. At December 31, 2022, based on the credit rating of the Secured Credit Facility on that date, the Secured Credit Facility Margin was 3.25 percent and the facility fee was 0.75 percent. At December 31, 2022, we had no borrowings outstanding, \$6 million of letters of credit issued, and we had \$767 million of available borrowing capacity under the Secured Credit Facility.

Shipyards financing arrangement—At December 31, 2022, we have credit agreements that established the Shipyards Loans to finance all or a portion of the final payments owed to the shipyard upon delivery of the ultra-deepwater floaters *Deepwater Atlas* and *Deepwater Titan*. Borrowings under the Shipyards Loan for *Deepwater Atlas* are secured by, among other security, a lien on the rig, and borrowings under the Shipyards Loan for *Deepwater Titan* are unsecured. We have the right to prepay outstanding borrowings, in full or in part, without penalty. The Shipyards Loans contain covenants that, among other things, limit the ability of the subsidiary owners of the drilling rigs to incur certain types of additional indebtedness or make certain additional commitments or investments. In June 2022, we borrowed \$349 million under the Shipyards Loan for *Deepwater Atlas* and made a cash payment of \$46 million to satisfy the final milestone payment due upon delivery of the rig. In December 2022, we borrowed \$90 million under the Shipyards Loan for *Deepwater Titan* and made a cash payment of \$325 million to satisfy the final milestone payment due upon delivery of the rig. We recorded each Shipyards Loan, net of imputed interest, with an initial carrying amount of \$300 million and \$82 million, respectively, and corresponding non-cash capital additions, recorded in property and equipment. The carrying amount of each Shipyards Loan at inception represented its estimated fair value using significant other observable inputs, representative of Level 2 fair value measurements, including the terms and credit spreads of our debt, by applying an estimated discount rate of 9.4 percent and 7.6 percent, respectively.

Exchangeable bonds

Exchange terms—At December 31, 2022, the (a) current exchange rates, expressed as the number of Transocean Ltd. shares per \$1,000 note, (b) implied exchange prices per Transocean Ltd. share and (c) aggregate shares, expressed in millions, issuable upon exchange of our exchangeable bonds were as follows:

	Exchange rate	Implied exchange price	Shares issuable
0.50% Exchangeable Senior Bonds due January 2023	97.29756	\$ 10.28	4.7
4.00% Senior Guaranteed Exchangeable Bonds due December 2025	190.47620	5.25	56.0
2.50% Senior Guaranteed Exchangeable Bonds due January 2027	162.16260	6.17	38.6
4.625% Senior Guaranteed Exchangeable Bonds due September 2029	290.66180	3.44	87.2

The exchange rates, identified above, are subject to adjustment upon the occurrence of certain events. The 0.50% Exchangeable Senior Bonds may be exchanged by holders into Transocean Ltd. shares at any time prior to the close of business on the business day immediately preceding the maturity date. The 4.00% Senior Guaranteed Exchangeable Bonds may be exchanged by holders at any time prior to the close of business on the second business day immediately preceding the maturity date and, at our election, such exchange may

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

be settled by delivering cash, Transocean Ltd. shares or a combination of cash and shares. The 2.50% Senior Guaranteed Exchangeable Bonds may be exchanged by holders into Transocean Ltd. shares at any time prior to the close of business on the second business day immediately preceding the maturity date or redemption date. The 4.625% Senior Guaranteed Exchangeable Bonds may be exchanged by holders at any time prior to the close of business on the second business day immediately preceding the maturity date or redemption date and, at our election, such exchange may be settled by delivering cash, Transocean Ltd. shares or a combination of cash and shares.

Effective interest rates and fair values—At December 31, 2022, the effective interest rates and estimated fair values of our exchangeable bonds were as follows (in millions, except effective interest rates):

	Effective interest rate	Fair value
0.50% Exchangeable Senior Bonds due January 2023	0.5%	\$ 48
4.00% Senior Guaranteed Exchangeable Bonds due December 2025	6.9%	355
2.50% Senior Guaranteed Exchangeable Bonds due January 2027	0.0%	244
4.625% Senior Guaranteed Exchangeable Bonds due September 2029	18.1%	483

The 4.625% Senior Guaranteed Exchangeable Bonds contain a compound exchange feature that, in addition to the exchange terms outlined above, requires us to pay holders a make whole premium of future interest through March 30, 2028, for exchanges exercised during a redemption notice period. Such compound exchange feature must be bifurcated from the host debt instrument since it is not considered indexed to our stock. Accordingly, we recognize changes to the estimated fair value of the bifurcated compound exchange feature, recorded as a component of the carrying amount of debt, with a corresponding adjustment to interest expense. In the year ended December 31, 2022, we recognized an unrealized loss of \$157 million as an adjustment to the fair value of the bifurcated compound exchange feature.

We estimated the fair values of the exchangeable debt instruments, including the exchange features, by employing a binomial lattice model using significant other observable inputs, representative of Level 2 fair value measurements, including the terms and credit spreads of our debt and the expected volatility of the market price for our shares.

Related balances—At December 31, 2022 and 2021, the premium associated with the original issuance of the 0.50% Exchangeable Senior Bonds had a carrying amount of \$172 million, recorded in equity as a component of additional paid-in capital.

Debt issuance

Senior guaranteed exchangeable bonds—On September 30, 2022, we issued \$300 million aggregate principal amount of 4.625% Senior Guaranteed Exchangeable Bonds in connection with exchange and purchase agreements. Pursuant to the exchange and purchase agreements, we exchanged (the “2022 Private Exchange”) (a) \$73 million aggregate principal amount of the 0.50% Exchangeable Senior Bonds for (i) \$73 million aggregate principal amount of 4.625% Senior Guaranteed Exchangeable Bonds and (ii) 6.7 million warrants to purchase Transocean Ltd. shares, and (b) \$43 million aggregate principal amount of the 7.25% senior notes due November 2025 for \$39 million aggregate principal amount of the 4.625% Senior Guaranteed Exchangeable Bonds. In the year ended December 31, 2022, as a result of the 2022 Private Exchange, we recognized a gain of \$6 million (\$0.01 per diluted share), with no tax effect, associated with the retirement of debt. Additionally, we sold \$188 million aggregate principal amount of the 4.625% Senior Guaranteed Exchangeable Bonds and issued 15.5 million warrants to purchase Transocean Ltd. shares for aggregate net cash proceeds of \$188 million. On or after March 30, 2026, we may redeem for cash all or a portion of the 4.625% Senior Guaranteed Exchangeable Bonds at a price equivalent to the aggregate principal amount to be redeemed if the closing price of our shares has been greater than 115 percent of the exchange price for a period of at least 20 trading days. The initial carrying amount of the 4.625% Senior Guaranteed Exchangeable Bonds, measured at the estimated fair value on the date of issuance, was \$281 million. We estimated the fair value of the exchangeable debt instrument, including the exchange feature, by employing a binomial lattice model and by using significant other observable inputs, representative of Level 2 fair value measurements, including the terms and credit spreads of our debt and expected volatility of the market price for our shares. See Note 13—Equity.

On February 26, 2021, we issued \$294 million aggregate principal amount of the 4.00% Senior Guaranteed Exchangeable Bonds and made an aggregate cash payment of \$11 million in private exchanges (the “2021 Private Exchange”) for \$323 million aggregate principal amount of the 0.50% Exchangeable Senior Bonds. In the year ended December 31, 2021, as a result of the 2021 Private Exchange, we recognized a gain of \$51 million (\$0.08 per diluted share), with no tax effect, associated with the retirement of debt. The initial carrying amount of the 4.00% Senior Guaranteed Exchangeable Bonds, measured at the estimated fair value on the date of issuance, was \$260 million. We estimated the fair value of the exchangeable debt instrument, including the exchange feature, by employing a binomial lattice model using significant other observable inputs, representative of Level 2 fair value measurements, including the terms and credit spreads of our debt and expected volatility of the market price for our shares.

On August 14, 2020, we issued \$238 million aggregate principal amount of 2.50% Senior Guaranteed Exchangeable Bonds in non-cash private exchanges (the “2020 Private Exchange”) for \$397 million aggregate principal amount of the 0.50% Exchangeable Senior Bonds. In the year ended December 31, 2020, as a result of the 2020 Private Exchange, we recognized a gain of \$72 million (\$0.12 per diluted share), with no tax effect, associated with the restructuring of debt. We may redeem all or a portion of the 2.50% Senior Guaranteed Exchangeable Bonds (i) before August 14, 2023, if certain conditions related to the price of our shares have been satisfied, at a price equal

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

to 100 percent of the aggregate principal amount and (ii) on or after August 14, 2023, at specified redemption prices. We recorded the conversion feature of the 2.50% Senior Guaranteed Exchangeable Bonds, measured at its estimated fair value of \$46 million, to additional paid-in capital. We estimated the fair value by employing a binomial lattice model using significant other observable inputs, representative of Level 2 fair value measurements, including the expected volatility of the market price for our shares.

Related party transactions—In August 2020, Perestroika exchanged \$356 million aggregate principal amount of the 0.50% Exchangeable Senior Bonds for \$213 million aggregate principal amount of 2.50% Senior Guaranteed Exchangeable Bonds. Perestroika has certain registration rights related to its shares and shares that may be issued in connection with any exchange of its 2.50% Senior Guaranteed Exchangeable Bonds. At December 31, 2022 and 2021, Perestroika held \$213 million aggregate principal amount of the 2.50% Senior Guaranteed Exchangeable Bonds.

Priority guaranteed senior unsecured notes—On September 11, 2020, we issued \$687 million aggregate principal amount of 11.50% senior guaranteed notes due January 2027 (the “11.50% Senior Guaranteed Notes”) in non-cash exchange offers, pursuant to an exchange offer memorandum, dated August 10, 2020, as supplemented, for an aggregate principal amount of \$1.5 billion of several series of our existing debt securities that were validly tendered and accepted for purchase (the “2020 Exchange Offers” and, together with the 2020 Private Exchange, the “2020 Exchange Transactions”). In the year ended December 31, 2020, as a result of the 2020 Exchange Offers, we recognized a gain of \$355 million (\$0.58 per diluted share), with no tax effect, associated with the restructuring of debt (see “—Debt repayment, redemption, restructuring, and retirement”). We may redeem all or a portion of the 11.50% Senior Guaranteed Notes prior to July 30, 2023 at a price equal to 100 percent of the aggregate principal amount plus a make-whole premium, and subsequently, at specified redemption prices. We may also use the net cash proceeds of certain equity offerings by Transocean Ltd. to redeem, on one or more occasions prior to July 30, 2023, up to a maximum of 40 percent of the original aggregate principal amount of the 11.50% Senior Guaranteed Notes, subject to certain adjustments, at a redemption price equal to 111.50 percent of the aggregate principal amount.

Guaranteed senior unsecured notes—On January 17, 2020, we issued \$750 million aggregate principal amount of 8.00% senior notes due February 2027 (the “8.00% Senior Notes”), and we received aggregate cash proceeds of \$743 million, net of issue costs. We may redeem all or a portion of the 8.00% Senior Notes on or prior to February 1, 2023 at a price equal to 100 percent of the aggregate principal amount plus a make-whole premium, and subsequently, at specified redemption prices.

Debt repayment, redemption, restructuring, and retirement

Restructuring and early retirement—During the years ended December 31, 2022, 2021 and 2020, we restructured or retired certain notes as a result of exchange offers, private exchanges, redemption, tender offers and open market repurchases. We recorded the 2020 Exchange Transactions completed in August 2020 and September 2020 under ASC 470-60, Troubled Debt Restructuring by Debtors. The aggregate principal amounts, cash payments and recognized gain or loss for such transactions were as follows (in millions):

	Year ended December 31, 2022			Year ended December 31, 2021			Year ended December 31, 2020				
	Exchange	Redeem	Total	Exchange	Repurchase	Total	Exchange	Redeem	Tender	Repurchase	Total
6.50% Senior Notes due November 2020	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 38	\$ 15	\$ 53
6.375% Senior Notes due December 2021	—	—	—	—	—	—	37	—	77	69	183
5.52% Senior Secured Notes due May 2022	—	18	18	—	—	—	—	—	—	—	—
3.80% Senior Notes due October 2022	—	27	27	—	—	—	136	—	10	16	162
0.50% Exchangeable Senior Bonds due January 2023	73	18	91	323	—	323	397	—	—	4	401
5.375% Senior Secured Notes due May 2023	—	—	—	—	11	11	—	—	103	43	146
9.00% Senior Notes due July 2023	—	—	—	—	—	—	—	714	—	—	714
5.875% Senior Secured Notes due January 2024	—	—	—	—	68	68	—	—	—	—	—
7.25% Senior Notes due November 2025	43	14	57	—	—	—	207	—	132	—	339
7.50% Senior Notes due January 2026	—	—	—	—	—	—	181	—	—	—	181
8.00% Senior Notes due February 2027	—	—	—	—	—	—	138	—	—	—	138
7.45% Notes due April 2027	—	—	—	—	—	—	35	—	—	—	35
8.00% Debentures due April 2027	—	—	—	—	—	—	35	—	—	—	35
7.00% Notes due June 2028	—	—	—	—	—	—	39	—	—	—	39
7.50% Notes due April 2031	—	—	—	—	—	—	192	—	—	—	192
6.80% Senior Notes due March 2038	—	—	—	—	—	—	390	—	—	—	390
7.35% Senior Notes due December 2041	—	—	—	—	—	—	123	—	—	—	123
Aggregate principal amount of debt retired	\$ 116	\$ 77	\$ 193	\$ 323	\$ 79	\$ 402	\$ 1,910	\$ 714	\$ 360	\$ 147	\$ 3,131
Aggregate cash payment	\$ —	\$ 75	\$ 75	\$ 11	\$ 79	\$ 90	\$ 10	\$ 767	\$ 222	\$ 110	\$ 1,109
Aggregate principal amount of debt issued in exchanges	\$ 112	\$ —	\$ 112	\$ 294	\$ —	\$ 294	\$ 925	\$ —	\$ —	\$ —	\$ 925
Aggregate fair value of warrants issued in exchanges	\$ 5	\$ —	\$ 5	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Aggregate net gain (loss)	\$ 6	\$ 2	\$ 8	\$ 51	\$ —	\$ 51	\$ 427	\$ (65)	\$ 135	\$ 36	\$ 533

Scheduled maturities and installments—On the scheduled maturity date of December 15, 2021, we made a cash payment of \$38 million to repay an equivalent aggregate principal amount of the outstanding 6.375% senior notes due December 2021. On the scheduled maturity date of November 16, 2020, we made a cash payment of \$153 million to repay an equivalent aggregate principal amount

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

of the outstanding 6.50% senior notes due November 2020. In the years ended December 31, 2022, 2021 and 2020, we made an aggregate cash payment of \$479 million, \$478 million and \$375 million, respectively, to repay other indebtedness in scheduled installments.

Subsequent events

Debt issuance—In January 2023, we issued \$525 million aggregate principal amount of 8.375% senior secured notes due February 2028 (the “8.375% Senior Secured Notes”), and we received \$515 million aggregate cash proceeds, net of issue costs. The 8.375% Senior Secured Notes are secured by the assets and earnings associated with the ultra-deepwater floater *Deepwater Titan* and the equity of the wholly owned subsidiary that owns or operates the collateral rig. Additionally, we are required to maintain certain balances in a restricted cash account to satisfy debt service requirements. We may redeem all or a portion of the 8.375% Senior Secured Notes on or prior to February 1, 2025 at a price equal to 100 percent of the aggregate principal amount plus a make-whole premium, and subsequently, at specified redemption prices.

In January 2023, we issued \$1.175 billion aggregate principal amount of 8.75% senior secured notes due February 2030 (the “8.75% Senior Secured Notes”), and we received \$1.157 billion aggregate cash proceeds, net of issue costs. The 8.75% Senior Secured Notes are fully and unconditionally guaranteed on an unsecured basis by Transocean Ltd. and on a limited senior secured basis by certain of our wholly owned subsidiaries. The 8.75% Senior Secured Notes are secured by a lien on the ultra-deepwater floaters *Deepwater Pontus*, *Deepwater Proteus* and *Deepwater Thalassa* and the harsh environment floaters *Transocean Enabler* and *Transocean Encourage*, together with certain related assets. Additionally, we are required to maintain certain balances in a restricted cash account to satisfy debt service requirements.

Debt retirement—On the scheduled maturity date of January 30, 2023, we made a cash payment of \$49 million to repay an equivalent aggregate principal amount of the outstanding 0.50% Exchangeable Senior Bonds.

In January 2023, we made a cash payment of \$121 million to redeem an equivalent aggregate principal amount of the outstanding 5.375% Senior Secured Notes, and the trustee notified holders of our intent to redeem the remaining outstanding \$122 million aggregate principal amount of notes for an equivalent aggregate cash payment, expected to be made on February 24, 2023.

In January 2023, in connection with the issuance of the 8.75% Senior Secured Notes, we made an aggregate payment of \$1.156 billion, including a make-whole premium, to redeem the remaining outstanding \$311 million, \$240 million, \$250 million, and \$336 million aggregate principal amount of the 5.875% Senior Secured Notes, the 7.75% Senior Secured Notes, the 6.25% Senior Secured Notes and the 6.125% Senior Secured Notes, respectively.

NOTE 9—POSTEMPLOYMENT BENEFIT PLANS

Defined contribution plans

We sponsor defined contribution plans for our employees in most markets in which we operate worldwide, the most significant of which were as follows: (1) a qualified savings plan covering certain eligible employees working in the U.S., (2) various savings plans covering eligible employees working in Norway, (3) a non-qualified savings plan covering certain eligible employees working outside the U.S., the United Kingdom (“U.K.”) and Norway and (4) a qualified savings plan covering certain eligible employees working in the U.K. In the years ended December 31, 2022, 2021 and 2020, we recognized expense of \$61 million, \$52 million and \$56 million, respectively, related to our defined contribution plans, recorded in the same financial statement line item as cash compensation paid to the respective employees.

Defined benefit pension and other postemployment benefit plans

Overview—As of December 31, 2022, we had defined benefit plans in the U.S., including three funded and three unfunded defined benefit plans (the “U.S. Plans”), and in the U.K., we had one funded defined benefit plan (the “U.K. Plan”). During the year ended December 31, 2021, as required by local authorities, we terminated our remaining plans in Norway (together with the U.K. Plan, the “Non-U.S. Plans”). We also maintain certain unfunded other postemployment benefit plans (collectively, the “OPEB Plans”), under which benefits to eligible participants diminish during a phase-out period ending December 31, 2025. We maintain the benefit obligations under our plans until they are fully satisfied.

Net periodic benefit costs—We estimated our net periodic benefit costs using the following weighted-average assumptions:

	Year ended December 31, 2022			Year ended December 31, 2021			Year ended December 31, 2020		
	U.S. Plans	U.K. Plan	OPEB Plans	U.S. Plans	Non-U.S. Plans	OPEB Plans	U.S. Plans	Non-U.S. Plans	OPEB Plans
Discount rate	2.92 %	1.90 %	1.83 %	2.60 %	1.50 %	1.21 %	3.27 %	2.10 %	2.39 %
Expected rate of return	4.81 %	2.00 %	na	5.51 %	3.20 %	na	5.90 %	3.10 %	na

“na” means not applicable.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

The components of net periodic benefit costs, recognized in other income and expense, were as follows (in millions):

	Year ended December 31, 2022				Year ended December 31, 2021				Year ended December 31, 2020			
	U.S. Plans	U.K. Plan	OPEB Plans	Total	U.S. Plans	Non-U.S. Plans	OPEB Plans	Total	U.S. Plans	Non-U.S. Plans	OPEB Plans	Total
Net periodic benefit costs												
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1	\$ —	\$ 1
Interest cost	50	6	—	56	47	6	—	53	55	8	—	63
Expected return on plan assets	(65)	(7)	—	(72)	(66)	(13)	—	(79)	(67)	(14)	—	(81)
Settlements and curtailments	—	—	—	—	—	(2)	—	(2)	1	12	—	13
Actuarial loss, net	5	—	—	5	11	1	—	12	9	1	1	11
Prior service gain, net	—	—	(2)	(2)	—	—	(2)	(2)	—	—	(2)	(2)
Net periodic benefit costs (income)	\$ (10)	\$ (1)	\$ (2)	\$ (13)	\$ (8)	\$ (8)	\$ (2)	\$ (18)	\$ (2)	\$ 8	\$ (1)	\$ 5

Funded status—We estimated our benefit obligations using the following weighted-average assumptions:

	December 31, 2022			December 31, 2021		
	U.S. Plans	U.K. Plan	OPEB Plans	U.S. Plans	U.K. Plan	OPEB Plans
Discount rate	5.06 %	4.80 %	4.92 %	2.91 %	1.90 %	1.83 %
Expected long-term rate of return	6.41 %	5.00 %	na	4.82 %	2.00 %	na

"na" means not applicable.

The changes in funded status, balance sheet classifications and accumulated benefit obligations were as follows (in millions):

	Year ended December 31, 2022				Year ended December 31, 2021			
	U.S. Plans	U.K. Plan	OPEB Plans	Total	U.S. Plans	Non-U.S. Plans	OPEB Plans	Total
Change in projected benefit obligation								
Projected benefit obligation, beginning of period	\$ 1,724	\$ 348	\$ 13	\$ 2,085	\$ 1,825	\$ 384	\$ 16	\$ 2,225
Actuarial gains, net	(391)	(119)	(1)	(511)	(72)	(21)	(1)	(94)
Interest cost	50	6	—	56	47	6	—	53
Currency exchange rate changes	—	(37)	—	(37)	—	(2)	—	(2)
Benefits paid	(76)	(10)	(2)	(88)	(76)	(17)	(2)	(95)
Settlements	—	—	—	—	—	(2)	—	(2)
Projected benefit obligation, end of period	1,307	188	10	1,505	1,724	348	13	2,085
Change in plan assets								
Fair value of plan assets, beginning of period	1,621	434	—	2,055	1,565	420	—	1,985
Actual return on plan assets	(403)	(147)	—	(550)	131	29	—	160
Currency exchange rate changes	—	(45)	—	(45)	—	(3)	—	(3)
Employer contributions	1	—	2	3	1	7	2	10
Benefits paid	(76)	(10)	(2)	(88)	(76)	(17)	(2)	(95)
Settlements	—	—	—	—	—	(2)	—	(2)
Fair value of plan assets, end of period	1,143	232	—	1,375	1,621	434	—	2,055
Funded status, end of period	\$ (164)	\$ 44	\$ (10)	\$ (130)	\$ (103)	\$ 86	\$ (13)	\$ (30)
Balance sheet classification, end of period:								
Pension asset, non-current	\$ —	\$ 44	\$ —	\$ 44	\$ 16	\$ 86	\$ —	\$ 102
Pension liability, current	(1)	—	(3)	(4)	(1)	—	(3)	(4)
Pension liability, non-current	(163)	—	(7)	(170)	(118)	—	(10)	(128)
Accumulated other comprehensive loss (income), before taxes	166	76	(8)	234	95	42	(10)	127
Accumulated benefit obligation, end of period	\$ 1,307	\$ 188	\$ 10	\$ 1,505	\$ 1,724	\$ 348	\$ 13	\$ 2,085

Certain amounts related to plans with a projected benefit obligation in excess of plan assets were as follows (in millions):

	December 31, 2022				December 31, 2021			
	U.S. Plans	U.K. Plan	OPEB Plans	Total	U.S. Plans	U.K. Plan	OPEB Plans	Total
Projected benefit obligation	\$ 1,307	\$ —	\$ 10	\$ 1,317	\$ 140	\$ —	\$ 13	\$ 153
Fair value of plan assets	1,143	—	—	1,143	20	—	—	20

Certain amounts related to plans with an accumulated benefit obligation in excess of plan assets were as follows (in millions):

	December 31, 2022				December 31, 2021			
	U.S. Plans	U.K. Plan	OPEB Plans	Total	U.S. Plans	U.K. Plan	OPEB Plans	Total
Accumulated benefit obligation	\$ 1,307	\$ —	\$ 10	\$ 1,317	\$ 140	\$ —	\$ 13	\$ 153
Fair value of plan assets	1,143	—	—	1,143	20	—	—	20

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

flows from operations. In the year ending December 31, 2023, we expect to make an aggregate contribution of \$4 million, including \$1 million and \$3 million to the defined benefit pension plans and the OPEB Plans, respectively.

The projected benefits payments were as follows (in millions):

	U.S. Plans	U.K. Plan	OPEB Plans	Total
Years ending December 31,				
2023	\$ 83	\$ 6	\$ 3	\$ 92
2024	84	6	3	93
2025	84	6	3	93
2026	85	7	—	92
2027	85	8	—	93
2028 - 2032	428	50	1	479

NOTE 10—INCOME TAXES

Overview—Transocean Ltd., a holding company and Swiss resident, is subject to Swiss federal, cantonal and communal income tax. For Swiss income taxes, however, qualifying net dividend income and net capital gains on the sale of qualifying investments in subsidiaries are exempt from taxation. Consequently, there is not a direct relationship between our Swiss earnings before income taxes and our Swiss income tax expense.

Tax provision and rate—In the years ended December 31, 2022, 2021 and 2020, our effective tax rate was (10.4) percent, (25.7) percent and (5.1) percent, respectively, based on loss before income tax expense. The relationship between our provision for or benefit from income taxes and our income or loss before income taxes can vary significantly from period to period considering, among other factors, (a) the overall level of income before income taxes, (b) changes in the blend of income that is taxed based on gross revenues rather than income before taxes, (c) rig movements between taxing jurisdictions and (d) our rig operating structures.

The components of our income tax provision (benefit) were as follows (in millions):

	Years ended December 31,		
	2022	2021	2020
Current tax expense (benefit)	\$ 13	\$ (7)	\$ (33)
Deferred tax expense	46	128	60
Income tax expense	\$ 59	\$ 121	\$ 27

A reconciliation of the income tax benefit computed at the Swiss holding company federal statutory rate of 7.83% and our reported consolidated income tax expense was as follows (in millions):

	Years ended December 31,		
	2022	2021	2020
Income tax benefit at Swiss federal statutory rate	\$ (44)	\$ (36)	\$ (42)
Earnings subject to rates different than the Swiss federal statutory rate	52	78	82
Swiss Federal Act on Tax Reform and AHV Financing	96	(1,095)	—
Changes in valuation allowance	79	1,167	(31)
Audit settlement	12	—	—
Withholding taxes	12	10	6
Deemed profits taxes	10	17	19
Changes in unrecognized tax benefits, net	2	(43)	(15)
Changes due to organizational restructuring	(162)	16	—
Losses on impairment	—	5	52
Base erosion and anti-abuse tax	—	—	5
U.S. Coronavirus Aid, Relief, and Economic Security Act	—	—	(28)
Other, net	2	2	(21)
Income tax expense	\$ 59	\$ 121	\$ 27

In January 2020, Switzerland made effective the Federal Act on Tax Reform and AHV Financing (“TRAF”). In March 2020, we entered into discussions with the Swiss tax authorities regarding the manner by which the TRAF applies to certain Swiss subsidiaries, which allows us to access historic depreciation and costs related to financing assets not previously deducted on Swiss tax returns, which can be apportioned to offset taxable income based on the remaining useful lives of the rigs and financing assets. In the three months ended December 31, 2021, we reached an agreement with the Swiss Tax authorities regarding the TRAF treatment. At December 31, 2022 and 2021, we had a deferred tax liability of \$226 million and \$238 million, respectively, and a deferred tax asset of \$1.23 billion and \$1.33 billion, respectively, offset with a valuation allowance of \$1.10 billion and \$1.17 billion, respectively.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

The Coronavirus Aid, Relief, and Economic Security Act, enacted in March 2020, made certain changes to U.S. tax law, including, among others, extending up to five years the carryback period for net operating losses generated between December 31, 2017 and January 1, 2021. In the year ended December 31, 2020, we recognized an income tax benefit of \$28 million related to the carryback of our net operating losses under this provision.

Deferred taxes—The significant components of our deferred tax assets and liabilities were as follows (in millions):

	December 31,	
	2022	2021
Deferred tax assets		
Swiss historic depreciation and financing asset costs	\$ 1,226	\$ 1,333
Net operating loss carryforwards	1,115	915
Interest expense limitation	77	67
United Kingdom charter limitation	53	53
Accrued expenses	36	23
Tax credits	11	19
Deferred income	7	7
Accrued payroll costs not currently deductible	18	2
Loss contingencies	4	2
Other	43	31
Valuation allowance	(1,910)	(1,820)
Total deferred tax assets	680	632
Deferred tax liabilities		
Depreciation	(1,150)	(1,052)
Contract intangible amortization	—	(11)
Other	(10)	(9)
Total deferred tax liabilities	(1,160)	(1,072)
Deferred tax assets (liabilities), net	\$ (480)	\$ (440)

As of December 31, 2022, we include taxes related to the earnings of all of our subsidiaries since we no longer consider the earnings of any of our subsidiaries to be indefinitely reinvested.

At December 31, 2022 and 2021, our deferred tax assets included U.S. foreign tax credits of \$11 million and \$19 million, respectively, which will expire between 2024 and 2026. Deferred tax assets related to our net operating losses were generated in various worldwide tax jurisdictions. At December 31, 2022, our net deferred tax assets related to our net operating loss carryforwards included \$682 million, which do not expire, and \$433 million, which will expire between 2023 and 2038.

As of December 31, 2022, our consolidated cumulative loss incurred over the recent three-year period represented significant objective negative evidence for the evaluation of the realizability of our deferred tax assets. Because such evidence has limited our ability to consider other subjective evidence, we evaluate each jurisdiction separately. We consider objective evidence, such as contract backlog activity, in jurisdictions in which we have profitable contracts, and the ability to carryback losses or utilize losses against potential exposures. If estimated future taxable income changes during the carryforward periods or if the cumulative loss is no longer present, we may adjust the amount of deferred tax assets that we expect to realize. At December 31, 2022 and 2021, due to uncertainty of realization, we had a valuation allowance of \$1.91 billion and \$1.82 billion, respectively, on net operating losses and other deferred tax assets due to the uncertainty of realization.

Unrecognized tax benefits—The changes to unrecognized tax benefits, excluding interest and penalties that we recognize as a component of income tax expense, were as follows (in millions):

	Years ended December 31,		
	2022	2021	2020
Balance, beginning of period	\$ 402	\$ 378	\$ 335
Additions for current year tax positions	28	28	90
Additions for prior year tax positions	62	46	11
Reductions related to statute of limitation expirations and changes in law	(13)	(19)	(7)
Reductions due to settlements	(5)	(31)	—
Reductions for prior year tax positions	(30)	—	(51)
Balance, end of period	\$ 444	\$ 402	\$ 378

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

Our unrecognized tax benefits, including related interest and penalties that we recognize as a component of income tax expense, were as follows (in millions):

	December 31,	
	2022	2021
Unrecognized tax benefits, excluding interest and penalties	\$ 444	\$ 402
Interest and penalties	27	33
Unrecognized tax benefits, including interest and penalties	<u>\$ 471</u>	<u>\$ 435</u>

In the years ended December 31, 2022, 2021 and 2020, we recognized, as a component of our income tax provision, expense of \$6 million, expense of \$8 million and benefit of \$7 million, respectively, related to interest and penalties associated with our unrecognized tax benefits. As of December 31, 2022, we have unrecognized benefits of \$471 million, including interest and penalties, against which we have recorded net operating loss deferred tax assets of \$383 million, resulting in net unrecognized tax benefits of \$88 million, including interest and penalties, that upon reversal would favorably impact our effective tax rate. During the year ending December 31, 2023, it is reasonably possible that our existing liabilities for unrecognized tax benefits may increase or decrease, primarily due to the progression of open audits and the expiration of statutes of limitation. However, we cannot reasonably estimate a range of potential changes in our existing liabilities for unrecognized tax benefits due to various uncertainties, such as the unresolved nature of various audits.

Tax positions and returns—We conduct operations through our various subsidiaries in countries throughout the world. Each country has its own tax regimes with varying nominal rates, deductions and tax attributes that are subject to changes resulting from new legislation, interpretation or guidance. From time to time, as a result of these changes, we may revise previously evaluated tax positions, which could cause us to adjust our recorded tax assets and liabilities. Tax authorities in certain jurisdictions are examining our tax returns and, in some cases, have issued assessments. We intend to defend our tax positions vigorously. Although we can provide no assurance as to the outcome of the aforementioned changes, examinations or assessments, we do not expect the ultimate liability to have a material adverse effect on our consolidated statement of financial position or results of operations; however, it could have a material adverse effect on our consolidated statement of cash flows.

Brazil tax investigations—In December 2005, the Brazilian tax authorities began issuing tax assessments with respect to our tax returns for the years 2000 through 2004. In May 2014, the Brazilian tax authorities issued an additional tax assessment for the years 2009 and 2010. We filed protests with the Brazilian tax authorities for the assessments and are engaged in the appeals process, and a portion of two cases were favorably closed. As of December 31, 2022, the remaining aggregate tax assessment, including interest and penalties, was for corporate income tax of BRL 668 million, equivalent to approximately \$126 million, and indirect tax of BRL 72 million, equivalent to \$14 million. We believe our returns are materially correct as filed, and we are vigorously contesting these assessments. An unfavorable outcome on these proposed assessments could have a material adverse effect on our consolidated statement of financial position, results of operations or cash flows.

NOTE 11—LOSS PER SHARE

The computation of basic and diluted loss per share was as follows (in millions, except per share data):

	Years ended December 31,		
	2022	2021	2020
Numerator for loss per share, basic and diluted			
Net loss attributable to controlling interest	\$ (621)	\$ (592)	\$ (567)
Denominator for loss per share, basic and diluted			
Weighted-average shares for per share calculation	699	637	615
Loss per share, basic and diluted	<u>\$ (0.89)</u>	<u>\$ (0.93)</u>	<u>\$ (0.92)</u>

We excluded from the computations certain shares issuable as follows because the effect would have been antidilutive (in millions):

	Years ended December 31,		
	2022	2021	2020
Exchangeable bonds	128.1	104.4	84.0
Share-based awards	15.5	12.6	10.8

NOTE 12—COMMITMENTS AND CONTINGENCIES

Purchase and service agreement obligations

We have purchase obligations with shipyards and other contractors primarily related to our newbuild construction programs. We also have long-term service agreements with original equipment manufacturers to provide services and parts, primarily related to our pressure

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

control systems and drilling systems. The future payments required under our service agreements were estimated based on our projected operating activity and may vary subject to actual operating activity. At December 31, 2022, the aggregate future payments required under our purchase obligations and our service agreement obligations were as follows (in millions):

Years ending December 31,	Purchase obligations	Service agreement obligations
2023	\$ 36	\$ 124
2024	2	138
2025	—	143
2026	—	147
2027	—	119
Thereafter	—	165
Total	<u>\$ 38</u>	<u>\$ 836</u>

Letters of credit and surety bonds

At December 31, 2022 and 2021, we had outstanding letters of credit totaling \$8 million and \$18 million, respectively, issued under various committed and uncommitted credit lines provided by banks to guarantee various contract bidding, performance activities and customs obligations. At December 31, 2022 and 2021, we also had outstanding surety bonds totaling \$161 million and \$146 million, respectively, to secure customs obligations related to the importation of our rigs and certain performance and other obligations. At December 31, 2022 and 2021, the aggregate cash collateral held by institutions to secure our letters of credit and surety bonds was \$7 million and \$8 million, respectively.

Legal proceedings

Asbestos litigation—In 2004, several of our subsidiaries were named, along with numerous other unaffiliated defendants, in complaints filed in the Circuit Courts of the State of Mississippi, and in 2014, a group of similar complaints were filed in Louisiana. The plaintiffs, former employees of some of the defendants, generally allege that the defendants used or manufactured asbestos containing drilling mud additives for use in connection with drilling operations, claiming negligence, products liability, strict liability and claims allowed under the Jones Act and general maritime law. The plaintiffs generally seek awards of unspecified compensatory and punitive damages, but the court appointed special master has ruled that a Jones Act employer defendant, such as us, cannot be sued for punitive damages. One of our subsidiaries was named in additional complaints filed in Illinois and Missouri, where the plaintiffs similarly allege that the defendants manufactured asbestos containing products or used asbestos-containing drilling mud additives in connection with land-based drilling operations. At December 31, 2022, seven plaintiffs have claims pending in Louisiana and 12 plaintiffs in the aggregate have claims pending in either Illinois or Missouri, in which we have or may have an interest. We intend to defend these lawsuits vigorously, although we can provide no assurance as to the outcome. We historically have maintained broad liability insurance, although we can provide no assurance as to whether insurance will cover the liabilities, if any, arising out of these claims. Based on our evaluation of the exposure to date, we do not expect the liability, if any, resulting from these claims to have a material adverse effect on our consolidated statement of financial position, results of operations or cash flows.

One of our subsidiaries was named as a defendant, along with numerous other companies, in lawsuits arising out of the subsidiary's manufacture and sale of heat exchangers, and involvement in the construction and refurbishment of major industrial complexes alleging bodily injury or personal injury as a result of exposure to asbestos. As of December 31, 2022, the subsidiary was a defendant in approximately 238 lawsuits with a corresponding number of plaintiffs. For many of these lawsuits, we have not been provided sufficient information from the plaintiffs to determine whether all or some of the plaintiffs have claims against the subsidiary, the basis of any such claims, or the nature of their alleged injuries. The operating assets of the subsidiary were sold in 1989. In December 2021, the subsidiary and certain insurers agreed to a settlement of outstanding disputes that provide the subsidiary with cash. An earlier settlement, achieved in September 2018, provided the subsidiary with cash and an annuity that begins making payments in 2024. Together with a coverage-in-place agreement with certain insurers and additional coverage issued by other insurers, we believe the subsidiary has sufficient resources to respond to both the current lawsuits as well as future lawsuits of a similar nature. While we cannot predict or provide assurance as to the outcome of these matters, we do not expect the ultimate liability, if any, resulting from these claims to have a material adverse effect on our consolidated statement of financial position, results of operations or cash flows.

Other matters—We are involved in various regulatory matters and a number of claims and lawsuits, asserted and unasserted, all of which have arisen in the ordinary course of our business. We do not expect the liability, if any, resulting from these other matters to have a material adverse effect on our consolidated statement of financial position, results of operations or cash flows. We cannot predict with certainty the outcome or effect of any of the litigation matters specifically described above or of any such other pending, threatened, or possible litigation or liability. We can provide no assurance that our beliefs or expectations as to the outcome or effect of any tax, regulatory, lawsuit or other litigation matter will prove correct and the eventual outcome of these matters could materially differ from management's current estimates.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

Environmental matters

We have certain potential liabilities under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) and similar state acts regulating cleanup of hazardous substances at various waste disposal sites, including those described below. CERCLA is intended to expedite the remediation of hazardous substances without regard to fault. Potentially responsible parties (“PRPs”) for each site include present and former owners and operators of, transporters to and generators of the substances at the site. It is difficult to quantify the potential cost of environmental matters and remediation obligations. Liability is strict and can be joint and several.

One of our subsidiaries was named as a PRP in connection with a site located in Santa Fe Springs, California, known as the Waste Disposal, Inc. site. We and other PRPs agreed, under a participation agreement with the U.S. Environmental Protection Agency (the “EPA”) and the U.S. Department of Justice, to settle our potential liabilities by remediating the site. The remedial action for the site was completed in 2006. Our share of the ongoing operating and maintenance costs has been insignificant, and we do not expect any additional potential liabilities to be material. Resolutions of other claims by the EPA, the involved state agency or PRPs are at various stages of investigation. Nevertheless, based on available information with respect to all environmental matters, including all related pending legal proceedings, asserted legal claims and known potential legal claims that are likely to be asserted, we do not expect the ultimate liability, if any, resulting from such matters, to have a material adverse effect on our consolidated statement of financial position, results of operations or cash flows.

NOTE 13—EQUITY

Share issuance—We maintain an at-the-market equity offering program (the “ATM Program”). We intend to use the net proceeds from our ongoing ATM Program for general corporate purposes, which may include, among other things, the repayment or refinancing of indebtedness and the funding of working capital, capital expenditures, investments and additional balance sheet liquidity. In June 2021, we entered into an equity distribution agreement with a sales agent for the offer and sale of our shares, with a maximum aggregate net offering price of up to \$400 million, under the ATM Program. In August 2022, we entered into an equity distribution agreement with a sales agent for the offer and sale of our shares, with a maximum aggregate net offering price of up to \$435 million, under the ATM Program. In the years ended December 31, 2022 and 2021, we received aggregate cash proceeds of \$263 million and \$158 million, respectively, net of issue costs, for the aggregate sale of 61.0 million shares and 36.1 million shares, respectively, under the ATM Program.

Warrants—On September 30, 2022, in connection with the issuance and sale of the 4.625% Senior Guaranteed Exchangeable Bonds in the 2022 Private Exchange, we issued 22.2 million warrants to purchase Transocean Ltd. shares. The warrants may be exercised by holders at any time prior to the close of business on March 13, 2026 at an exercise price equal to \$3.71 per share, subject to certain anti-dilutive adjustments, and at our election, such exercise may be settled by delivering cash, Transocean Ltd. shares or a combination of cash and shares. If at any time prior to expiration, the closing price of Transocean Ltd. shares equals or exceeds \$10.00 per share, subject to adjustment upon the occurrence of certain events, for a period of five consecutive trading days, we will have the right to effect an exercise of all, but not less than all, of the warrants upon notice to holders. The initial carrying amount of the warrants, recorded in additional paid-in capital and measured at the estimated fair value on the date of issuance, was \$16 million, net of issue costs. We estimated the fair value of the warrants by employing a binomial lattice model and by using significant other observable inputs, representative of Level 2 fair value measurements, including the expected volatility of the market price for our shares.

Shares held by subsidiaries—One of our subsidiaries holds our shares for future use to deliver shares in connection with sales under the ATM Program and in connection with awards granted under our incentive plans or other rights to acquire our shares. At December 31, 2022 and 2021, our subsidiary held 75.4 million and 72.7 million shares, respectively.

NOTE 14—SHARE-BASED COMPENSATION

Overview

We have a long-term incentive plan (the “Long-Term Incentive Plan”) for executives, key employees and non-employee directors under which awards can be granted in the form of restricted share units, restricted shares, stock options, stock appreciation rights and cash performance awards. Awards may be granted as service awards that are earned over a defined service period or as performance awards that are earned based on the achievement of certain market factors or performance targets or a combination of market factors and performance targets. The compensation committee of our board of directors determines the terms and conditions of the awards granted under the Long-Term Incentive Plan. At December 31, 2022, we had 85.7 million shares authorized and 13.6 million shares available to be granted under the Long-Term Incentive Plan. At December 31, 2022, the total unrecognized compensation cost related to our unvested share-based awards was \$38 million, which we expect to recognize over a weighted-average period of 1.7 years.

Service awards typically vest either in three equal annual installments beginning on the first anniversary date of the grant or in an aggregate installment at the end of the stated vesting period. Service-based stock options, once fully vested, are typically exercisable during a seven-year period. Performance awards typically vest in one aggregate installment following the ultimate determination date. Performance awards are typically subject to a three-year measurement period during which the number of shares to be issued remains uncertain until the end of the performance period, at which time the awarded number of shares to be issued is determined.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

Service awards

Restricted share units—A restricted share unit is a notional unit that is equal to one share but has no voting rights until the underlying share is issued. The following table summarizes unvested activity during the year ended December 31, 2022 for service-based units granted under our incentive plan:

	Number of units	Weighted-average grant-date fair value per unit
Unvested at January 1, 2022	10,662,865	\$ 3.13
Granted	6,768,943	3.60
Vested	(5,075,374)	3.47
Forfeited	(308,934)	3.29
Unvested at December 31, 2022	<u>12,047,500</u>	<u>\$ 3.25</u>

In the year ended December 31, 2022, the service-based units that vested had an aggregate grant-date fair value of \$18 million. During the years ended December 31, 2021 and 2020, we granted 6,148,361 and 7,093,421 service-based units, respectively, with a per unit weighted-average grant-date fair value of \$3.56 and \$1.41, respectively. During the years ended December 31, 2021 and 2020, we had 4,368,749 and 2,817,155 service-based units, respectively, that vested with an aggregate grant-date fair value of \$16 million and \$24 million, respectively.

Stock options—The following table summarizes activity during the year ended December 31, 2022 for vested and unvested service-based stock options outstanding under our incentive plan:

	Number of shares under option	Weighted-average exercise price per share	Weighted-average remaining contractual term (years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2022	4,263,274	\$ 11.45	5.70	\$ —
Forfeited	(25,155)	50.79		
Expired	(62,599)	50.79		
Outstanding at December 31, 2022	<u>4,175,520</u>	<u>\$ 10.63</u>	<u>4.82</u>	<u>\$ —</u>
Vested and exercisable at December 31, 2022	4,175,520	\$ 10.63	4.82	\$ —

In the years ended December 31, 2022, 2021 and 2020, the stock options that vested had an aggregate grant-date fair value of \$4 million, \$9 million and \$12 million, respectively. At December 31, 2021, there were outstanding unvested stock options to purchase 482,688 shares.

Performance awards

Restricted share units—We grant performance awards in the form of restricted share units that can be earned depending on the achievement of market factors and performance targets. The number of shares ultimately earned per unit is quantified upon completion of the specified period at the ultimate determination date. The following table summarizes unvested activity during the year ended December 31, 2022 for performance-based units under our incentive plan:

	Number of units	Weighted-average grant-date fair value per unit
Unvested at January 1, 2022	5,389,390	\$ 2.59
Granted	3,519,857	3.91
Vested	(2,363,878)	1.80
Unvested at December 31, 2022	<u>6,545,369</u>	<u>\$ 3.81</u>

In the years ended December 31, 2022, the performance-based units that vested had an aggregate grant-date fair value of \$5 million, \$11 million and \$11 million, respectively. During the years ended December 31, 2021 and 2020, we granted 3,025,512 and 2,530,460 performance-based units, respectively, with a per unit weighted-average grant-date fair value of \$3.70 and \$1.80, respectively.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

NOTE 15—SUPPLEMENTAL BALANCE SHEET INFORMATION

Other current liabilities were comprised of the following (in millions):

	December 31,	
	2022	2021
Other current liabilities		
Accrued employee benefits and payroll-related liabilities	\$ 156	\$ 178
Accrued interest	113	121
Accrued taxes, other than income	41	52
Finance lease liability	40	40
Operating lease liabilities	7	8
Deferred revenues	124	83
Contingent liabilities	58	60
Other	—	3
Total other current liabilities	\$ 539	\$ 545

Other long-term liabilities were comprised of the following (in millions):

	December 31,	
	2022	2021
Other long-term liabilities		
Postemployment benefit plan obligations	\$ 170	\$ 128
Finance lease liability	323	366
Operating lease liabilities	100	109
Income taxes payable	129	157
Deferred revenues	204	265
Other	39	43
Total other long-term liabilities	\$ 965	\$ 1,068

NOTE 16—SUPPLEMENTAL CASH FLOW INFORMATION

Additional cash flow information was as follows (in millions):

	Years ended December 31,		
	2022	2021	2020
Certain cash operating activities			
Cash payments for interest	\$ 355	\$ 429	\$ 593
Cash payments for income taxes	66	57	70
Non-cash investing and financing activities			
Capital additions, accrued at end of period	(a) \$ 31	\$ 28	\$ 15
Capital additions financed under Shipyard Loans	(b) 382	—	—
Issuance of debt in exchange transactions	(c) 112	294	925
Issuance of warrants in exchange transactions	(d) 5	—	—
Settlement of finance lease payments	(e) 41	—	—
Equity component of exchangeable debt	(f) —	—	46

- (a) Additions to property and equipment for which we had accrued a corresponding liability in accounts payable at the end of the period. See Note 6—Long-Lived Assets.
- (b) In the year ended December 31, 2022, we borrowed an aggregate principal amount of \$439 million under the Shipyard Loans to satisfy a portion of the final milestone payments due upon delivery of *Deepwater Atlas* and *Deepwater Titan* and recorded the initial carrying amount, net of imputed interest, with a corresponding entry to construction in progress. See Note 6—Long-Lived Assets and Note 8—Debt.
- (c) In the year ended December 31, 2022, in connection with the 2022 Private Exchange, we issued \$112 million aggregate principal amount of the 4.625% Senior Guaranteed Exchangeable Bonds. In the year ended December 31, 2021, in connection with the 2021 Private Exchange, we issued \$294 million aggregate principal amount of the 4.00% Senior Guaranteed Exchangeable Bonds. In the year ended December 31, 2020, in connection with the 2020 Private Exchange, we issued \$687 million and \$238 million aggregate principal amount of the 11.50% Senior Guaranteed Notes and the 2.50% Senior Guaranteed Exchangeable Bonds, respectively. See Note 8—Debt.
- (d) In the year ended December 31, 2022, in connection with the 2022 Private Exchange, we issued 6.7 million warrants to purchase Transocean Ltd. shares with an estimated fair value of \$5 million. See Note 8—Debt and Note 13—Equity.
- (e) In the year ended December 31, 2022, we agreed to settle installments due to the lessor under our finance lease by issuing corresponding credits to our customer for amounts due to us under the drilling contract. See Note 7—Leases.
- (f) In connection with the issuance of the 2.50% Senior Guaranteed Exchangeable Bonds in the 2020 Private Exchange, we recorded the conversion feature, measured at its estimated fair value, to additional paid-in capital. See Note 8—Debt.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

The reconciling adjustments of our net cash provided by operating activities that were attributable to the net change in other operating assets and liabilities were as follows (in millions):

	Years ended December 31,		
	2022	2021	2020
Changes in other operating assets and liabilities			
(Increase) decrease in accounts receivable	\$ (15)	\$ 137	\$ 67
Increase in other assets	(12)	(13)	(113)
Increase (decrease) in accounts payable and other current liabilities	8	(52)	(254)
Increase (decrease) in other long-term liabilities	(2)	(3)	2
Change in income taxes receivable / payable, net	(42)	(17)	(69)
Change in receivables from / payables to affiliates, net	(12)	(15)	14
	<u>\$ (75)</u>	<u>\$ 37</u>	<u>\$ (353)</u>

NOTE 17—FINANCIAL INSTRUMENTS

Overview—The carrying amounts and fair values of our financial instruments were as follows (in millions):

	December 31, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	\$ 683	\$ 683	\$ 976	\$ 976
Restricted cash and cash equivalents	308	308	436	436
Long-term loans receivable from unconsolidated affiliates	41	43	36	33
Total debt	7,347	6,412	7,170	5,661

Cash and cash equivalents—Our cash and cash equivalents are primarily invested in demand deposits, short-term time deposits and money market funds. The carrying amount of our cash and cash equivalents represents the historical cost, plus accrued interest, which approximates fair value because of the short maturities of the instruments.

Restricted cash and cash equivalents—Our restricted cash and cash equivalents, which are subject to restrictions due to collateral requirements, legislation, regulation or court order, are primarily invested in demand deposits and money market funds. The carrying amount of our restricted cash and cash equivalents represents the historical cost, plus accrued interest, which approximates fair value because of the short maturities of the instruments.

Long-term loans receivable from unconsolidated affiliates—The carrying amount of our long-term loans receivable from unconsolidated affiliates, recorded in other assets, represents the principal amount of the cash investment. We estimated the fair value of our long-term loans receivable from unconsolidated affiliates using significant unobservable inputs, representative of Level 3 fair value measurements, including the terms and credit spreads for the instruments.

Total debt—The carrying amount of our total debt represents the principal amount, contractual interest payments of previously restructured debt and unamortized discounts, premiums and issue costs. The carrying amount and fair value of our total debt includes amounts related to certain exchangeable debt instruments (see Note 8—Debt). We estimated the fair value of our total debt using significant other observable inputs, representative of Level 2 fair value measurements, including the terms and credit spreads for the instruments and, with respect to the exchangeable debt instruments, the expected volatility of the market price for our shares.

NOTE 18—RISK CONCENTRATION

Interest rate risk—We are exposed to the interest rate risk related to our fixed-rate debt when we refinance maturing debt with new debt or when we early retire debt in open market repurchases, exchanges or other market transactions. We are also exposed to interest rate risk related to our restricted and unrestricted cash equivalents, as the interest income earned on these investments is based on variable or short-term interest rates, which change with market interest rates.

Currency exchange rate risk—We are exposed to currency exchange rate risk primarily related to contract drilling revenues, employee compensation costs and purchasing costs that are denominated in currencies other than our functional currency, the U.S. dollar. We use a variety of techniques to minimize the exposure to currency exchange rate risk, including the structuring of customer contract payment terms and occasional use of forward exchange contracts. Our primary tool to manage currency exchange rate risk involves structuring customer contracts to provide for payment in both U.S. dollars and local currency. The payment portion denominated in local currency is based on anticipated local currency requirements over the contract term. Due to various factors, including customer acceptance, local banking laws, national content requirements, other statutory requirements, local currency convertibility, local inflation and revenue efficiency, actual local currency needs may vary from those realized in the customer contracts, resulting in partial exposure to currency exchange rate risk. The currency exchange effect resulting from our international operations generally has not had a material impact on our operating results.

TRANSOCEAN LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—continued

Credit risk—We are exposed to concentrations of credit risk primarily related to our restricted and unrestricted cash and cash equivalents and customer receivables, both current and long-term. We generally maintain our restricted and unrestricted cash and cash equivalents in time deposits at commercial banks with high credit ratings or mutual funds, which invest exclusively in high-quality money market instruments, and because we limit the amount of exposure to any one institution, we do not believe we are exposed to any significant credit risk. Our customer receivables, which are dispersed in various countries, are due from integrated energy companies, government-owned or government-controlled energy companies and other independent energy companies. For such receivables, we establish an allowance for credit losses by applying an expected loss rate based on current and forecasted future and historical experience. Although we have encountered only isolated credit concerns related to independent energy companies, we occasionally require collateral or other security to support customer receivables. In certain infrequent instances, when we determine that collection is not reasonably assured, we may offer extended payment terms and recognize revenues associated with the contract on a cash basis.

Labor agreements—At December 31, 2022, we had a global workforce of approximately 5,340 individuals, including approximately 300 contractors. Approximately 43 percent of our total workforce, working primarily in Norway, Brazil and the U.K., are represented by, and some of our contracted labor work is subject to, collective bargaining agreements, substantially all of which are subject to annual salary negotiation. Negotiations over annual salary or other labor matters could result in higher personnel or other costs or increased operational restrictions or disruptions. The outcome of any such negotiation generally affects the market for all offshore employees, not only union members. A failure to reach an agreement on certain key issues could result in strikes, lockouts or other work stoppages.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We have not had a change in or disagreement with our accountants within 24 months prior to the date of our most recent financial statements or in any period subsequent to such date.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure controls and procedures—Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is (1) accumulated and communicated to our management, including our Chief Executive Officer, who is our principal executive officer, and our Chief Financial Officer, who is our principal financial officer, to allow timely decisions regarding required disclosure and (2) recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission’s rules and forms. Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we performed an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2022.

Internal control over financial reporting—There has been no change to our internal control over financial reporting during the quarter ended December 31, 2022 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting. See “Management’s Report on Internal Control Over Financial Reporting” and “Report of Independent Registered Public Accounting Firm,” included in Item 8 of this annual report.

Other matters—In July 2022, we deployed a new global Enterprise Resource Planning (“ERP”) and Enterprise Performance Management (“EPM”) system, designed to optimize and standardize processes in treasury, accounting, financial planning, supply chain management, asset management and information technology. Although we are updating our internal controls that have been affected by the ERP and EPM deployment, we do not believe it has had an adverse effect on our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

ITEM 11. EXECUTIVE COMPENSATION

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

ITEM 13. CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Items 10, 11, 12, 13 and 14 is incorporated herein by reference to our definitive proxy statement for our 2023 annual general meeting of shareholders, which will be filed with the U.S. Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934 within 120 days of December 31, 2022. Certain information with respect to our executive officers is set forth at the end of Part I of this annual report under the caption "Information About our Executive Officers."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A) INDEX TO FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULES AND EXHIBITS

(1) Index to Financial Statements

Included in Part II of this report:	Page
Management's Report on Internal Control Over Financial Reporting	AR-40
Reports of Independent Registered Public Accounting Firm (PCAOB ID 00042)	AR-41
Report of Statutory Auditor on the Consolidated Financial Statements	AR-44
Consolidated Statements of Operations	AR-47
Consolidated Statements of Comprehensive Loss	AR-48
Consolidated Balance Sheets	AR-49
Consolidated Statements of Equity	AR-50
Consolidated Statements of Cash Flows	AR-51
Notes to Consolidated Financial Statements	AR-52

Financial statements of unconsolidated subsidiaries are not presented herein because such subsidiaries do not meet the significance test.

(2) Financial Statement Schedules

Transocean Ltd. and Subsidiaries Schedule II - Valuation and Qualifying Accounts (In millions)

	Balance at beginning of period	Additions Charge to cost and expenses	Charge to other accounts -describe	Deductions -describe	Balance at end of period
Year ended December 31, 2020					
Reserves and allowances deducted from asset accounts:					
Allowance for credit losses	\$ —	\$ —	\$ 2 (a)	\$ —	\$ 2
Allowance for excess materials and supplies	127	25	—	9 (b)	143
Valuation allowance on deferred tax assets	716	(31)	—	—	685
Year ended December 31, 2021					
Reserves and allowances deducted from asset accounts:					
Allowance for credit losses	\$ 2	—	—	—	\$ 2
Allowance for excess materials and supplies	143	43	—	3 (b)	183
Valuation allowance on deferred tax assets	685	1,167	—	32 (c)	1,820
Year ended December 31, 2022					
Reserves and allowances deducted from asset accounts:					
Allowance for credit losses	\$ 2	—	—	—	\$ 2
Allowance for excess materials and supplies	183	16	—	—	199
Valuation allowance on deferred tax assets	1,820	79	11 (c)	—	1,910

- (a) Amount related to an adjustment to the allowance for credit losses with a corresponding entry to accumulated deficit associated with our adoption of the accounting standards update that requires an entity to estimate an expected lifetime credit loss on financial assets ranging from short-term trade accounts receivable to long-term financings without retrospective application.
- (b) Amount related to materials and supplies on rigs and related assets sold or classified as held for sale.
- (c) Amount related to adjustments to other deferred tax assets with valuation allowances.

(3) Exhibits

The following exhibits are filed or furnished herewith, as indicated, or incorporated by reference to the location indicated:

NUMBER	DESCRIPTION	LOCATION
3.1	Articles of Association of Transocean Ltd.	Exhibit 3.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on September 13, 2022
3.2	Organizational Regulations of Transocean Ltd., amended, effective as of April 7, 2021	Exhibit 3.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on April 7, 2021
4.1	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	Filed with our Annual Report on Form 10-K for the year ended December 31, 2022
4.2	Indenture dated as of February 26, 2021 by and among Transocean Inc., the guarantors and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on February 26, 2021
4.3	Credit Agreement dated June 22, 2018, among Transocean Inc., the lenders parties thereto and Citibank, N.A., as administrative agent and collateral agent.	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on June 27, 2018
4.4	Increase of Commitments and First Amendment to Credit Agreement, dated May 13, 2019, among Transocean Inc., the lenders and issuing banks parties thereto, Citibank, N.A., as administrative agent, and for the limited purposes set forth therein, Transocean Ltd. and certain of its subsidiaries	Exhibit 10.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on May 13, 2019
4.5	Increase of Commitments, Second Amendment to Credit Agreement and First Amendment to Guaranties, dated July 15, 2019, among Transocean Inc., the lenders and issuing banks parties thereto, Citibank, N.A., as administrative agent, and for the limited purposes set forth therein, Transocean Ltd. and certain of its subsidiaries	Exhibit 10.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on July 15, 2019
4.6	Curative Agreement, dated September 24, 2019, between Transocean Inc. and Citibank, N.A., as administrative agent for the lenders under the Credit Agreement dated June 22, 2018, as amended	Exhibit 10.2 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 001-38373) for the quarter ended September 30, 2019
4.7	Increase of Commitments and Third Amendment to Credit Agreement, dated December 23, 2019, among Transocean Inc., the lenders and issuing banks parties thereto, Citibank, N.A., as administrative agent, and for the limited purposes set forth therein, Transocean Ltd. and certain of its subsidiaries	Exhibit 4.6 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 001-38373) filed on February 18, 2020
4.8	Indenture, dated July 13, 2018, by and among Transocean Guardian Limited, the Guarantors and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on July 17, 2018
4.9	Indenture, dated July 20, 2018, by and among Transocean Pontus Limited, the Guarantors and Wells Fargo Bank, National Association.	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on July 24, 2018
4.10	First Supplemental Indenture, dated April 15, 2019, by and among Transocean Pontus Limited, Wells Fargo Bank, National Association, as trustee and collateral agent, and the Note Parties, supplementing the Indenture dated as of July 20, 2018	Exhibit 4.4 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 001-38373) for the quarter ended March 31, 2019
4.11	Indenture dated as of April 15, 1997 between Transocean Offshore Inc. and Texas Commerce Bank National Association, as trustee	Exhibit 4.1 to Transocean Offshore Inc.'s Current Report on Form 8-K (Commission File No. 001-07746) filed on April 30, 1997
4.12	First Supplemental Indenture dated as of April 15, 1997 between Transocean Offshore Inc. and Texas Commerce Bank National Association, as trustee, supplementing the Indenture dated as of April 15, 1997	Exhibit 4.2 to Transocean Offshore Inc.'s Current Report on Form 8-K (Commission File No. 001-07746) filed on April 30, 1997
4.13	Second Supplemental Indenture dated as of May 14, 1999 between Transocean Offshore (Texas) Inc., Transocean Offshore Inc. and Chase Bank of Texas, National Association, as trustee	Exhibit 4.5 to Transocean Offshore Inc.'s Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (Registration No. 333-59001-99) filed on June 29, 1999
4.14	Fifth Supplemental Indenture, dated as of December 18, 2008, among Transocean Ltd., Transocean Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	Exhibit 4.4 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on December 19, 2008
4.15	Form of 7.45% Notes due April 15, 2027	Exhibit 4.3 to Transocean Offshore Inc.'s Current Report on Form 8-K (Commission File No. 001-07746) filed on April 30, 1997
4.16	Form of 8.00% Debentures due April 15, 2027	Exhibit 4.4 to Transocean Offshore Inc.'s Current Report on Form 8-K (Commission File No. 001-07746) filed on April 30, 1997

NUMBER	DESCRIPTION	LOCATION
4.17	Officers' Certificate establishing the terms of the 7.50% Notes due April 15, 2031	Exhibit 4.3 to Transocean Sedco Forex Inc.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on April 9, 2001
4.18	Officers' Certificate establishing the terms of the 7.375% Notes due April 15, 2018	Exhibit 4.14 to Transocean Sedco Forex Inc.'s Annual Report on Form 10-K (Commission File No. 333-75899) for the fiscal year ended December 31, 2001
4.19	Indenture dated as of September 1, 1997, between Global Marine Inc. and Wilmington Trust Company, as Trustee, relating to Debt Securities of Global Marine Inc.	Exhibit 4.1 of Global Marine Inc.'s Registration Statement on Form S-4 (No. 333-39033) filed on October 30, 1997
4.20	First Supplemental Indenture dated as of June 23, 2000, between Global Marine Inc. and Wilmington Trust Company, as Trustee, relating to Debt Securities of Global Marine Inc.	Exhibit 4.2 of Global Marine Inc.'s Quarterly Report on Form 10-Q (Commission File No. 001-05471) for the quarter ended June 30, 2000
4.21	Second Supplemental Indenture dated as of November 20, 2001, between Global Marine Inc. and Wilmington Trust Company, as Trustee, relating to Debt Securities of Global Marine Inc.	Exhibit 4.2 to GlobalSantaFe Corporation's Annual Report on Form 10-K (Commission File No. 001-14634) for the year ended December 31, 2004
4.22	Third Supplemental Indenture, dated as of July 29, 2019, among Global Marine Inc, Transocean Inc. and Wilmington Trust Company, as trustee, relating to Debt Securities of Global Marine Inc.	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on July 29, 2019
4.23	Form of 7% Note Due 2028	Exhibit 4.2 of Global Marine Inc.'s Current Report on Form 8-K (Commission File No. 001-05471) filed on May 22, 1998
4.24	Terms of 7% Notes Due 2028	Exhibit 4.1 of Global Marine Inc.'s Current Report on Form 8-K (Commission File No. 001-05471) filed on May 22, 1998
4.25	Indenture, dated as of December 11, 2007, between Transocean Inc. and Wells Fargo Bank, National Association	Exhibit 4.36 to Transocean Inc.'s Annual Report on Form 10-K (Commission File No. 333-75899) for the year ended December 31, 2007
4.26	First Supplemental Indenture, dated as of December 11, 2007, between Transocean Inc. and Wells Fargo Bank, National Association	Exhibit 4.37 to Transocean Inc.'s Annual Report on Form 10-K (Commission File No. 333-75899) for the year ended December 31, 2007
4.27	Third Supplemental Indenture, dated as of December 18, 2008, among Transocean Ltd., Transocean Inc. and Wells Fargo Bank, National Association, as trustee	Exhibit 4.3 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on December 19, 2008
4.28	Fourth Supplemental Indenture, dated as of September 21, 2010, among Transocean Ltd., Transocean Inc. and Wells Fargo Bank, National Association, as trustee	Exhibit 4.1 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 000-53533) for the quarter ended September 30, 2010
4.29	Fifth Supplemental Indenture, dated as of December 5, 2011, among Transocean Ltd., Transocean Inc. and Wells Fargo Bank, National Association, as trustee	Exhibit 4.3 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on December 5, 2011
4.30	Sixth Supplemental Indenture, dated as of September 13, 2012, among Transocean Inc., Transocean Ltd. and Wells Fargo Bank, National Association, as trustee	Exhibit 4.3 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on September 13, 2012
4.31	Indenture, dated as of July 21, 2016, by and among Transocean Inc., the Guarantors and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on July 22, 2016
4.32	Indenture, dated as of October 19, 2016, by and among Transocean Phoenix 2 Limited, Transocean Ltd., Transocean Inc., Triton Capital II GmbH and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on October 20, 2016
4.33	First Supplemental Indenture, dated April 15, 2019, by and among Transocean Phoenix 2 Limited, Wells Fargo Bank, National Association, as trustee and collateral agent, and the Note Parties supplementing the Indenture dated as of October 19, 2016	Exhibit 4.2 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 001-38373) for the quarter ended March 31, 2019
4.34	Indenture, dated December 8, 2016, by and among Transocean Proteus Limited, the Guarantors and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on December 8, 2016
4.35	First Supplemental Indenture, dated April 15, 2019, by and among Transocean Proteus Limited, Wells Fargo Bank, National Association, as trustee and collateral agent, and the Note Parties, supplementing the Indenture dated as of December 8, 2016	Exhibit 4.3 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 001-38373) for the quarter ended March 31, 2019
4.36	Indenture dated as of October 17, 2017, by and among Transocean Inc., the guarantors party thereto and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on October 17, 2017

NUMBER	DESCRIPTION	LOCATION
4.37	Indenture, dated January 30, 2018, among Transocean Inc., Transocean Ltd., as guarantor, and Computershare Trust Company N.A. and Computershare Trust Company of Canada, as co-trustees	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on January 30, 2018
4.38	Form of 0.50% Exchangeable Senior Bonds due 2023	Exhibit A of Exhibit 4.2 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on January 30, 2018
4.39	Registration Rights Agreement, dated as of January 30, 2018, among Transocean Ltd., Transocean Inc., and the security holders named therein	Exhibit 4.3 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on January 30, 2018
4.40	Indenture, dated October 25, 2018, among Transocean Inc., the guarantors party thereto and Wells Fargo Bank, National Association, as trustee	Exhibit 4.32 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 001-38373) filed on February 19, 2019
4.41	Indenture, dated February 1, 2019, by and among Transocean Poseidon Limited, the Guarantors and Wells Fargo Bank, National Association, as trustee and collateral agent	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on February 1, 2019
4.42	Indenture, dated May 24, 2019, by and among Transocean Sentry Limited, the Guarantors and Wells Fargo Bank, National Association, as trustee and collateral agent	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on May 29, 2019
4.43	Indenture, dated January 17, 2020, by and among Transocean Inc., the guarantors party thereto and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on January 17, 2020
4.44	Indenture, dated as of August 14, 2020, by and among Transocean Inc., the guarantors party thereto and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on August 14, 2020
4.45	Amendment to Registration Rights Agreement, dated as of August 14, 2020, by and among Transocean Ltd., Transocean Inc. and Perestroika (Cyprus) Ltd.	Exhibit 4.2 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on August 14, 2020
4.46	Indenture, dated as of September 11, 2020, by and among Transocean Inc., the guarantors party thereto and Wells Fargo Bank, National Association	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on September 11, 2020
4.47	Supplemental Indenture, dated November 30, 2020, by and among Transocean Inc., Transocean Ltd., certain of Transocean Inc.'s subsidiaries, and Wells Fargo Bank, National Association, as trustee, supplementing the Indenture dated as of September 11, 2020.	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on December 1, 2020
4.48	Supplemental Indenture, dated November 30, 2020, by and among Transocean Inc., Transocean Ltd., certain of Transocean Inc.'s subsidiaries, and Wells Fargo Bank, National Association, as trustee, supplementing the Indenture dated as of August 14, 2020.	Exhibit 4.2 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on December 1, 2020
4.49	Fourth Amendment to Credit Agreement, dated November 30, 2020, among Transocean Inc., the lenders and issuing banks parties thereto, Citibank, N.A., as administrative agent, and for the limited purposes set forth therein, certain of Transocean Inc.'s subsidiaries.	Exhibit 10.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on December 1, 2020.
4.50	Indenture, dated as of September 30, 2022, by and among Transocean Inc., the Guarantors and Truist Bank, as trustee	Exhibit 4.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on September 30, 2022
4.51	Warrant Agreement, dated as of September 30, 2022, by and among Transocean Inc., Transocean Ltd. and Computershare Inc. and Computershare Trust Company, N.A., as warrant agent	Exhibit 4.2 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on September 30, 2022
4.52	Fifth Amendment to Credit Agreement, dated July 27, 2022, among Transocean Inc., the lenders and issuing banks parties thereto, Citibank, N.A., as administrative agent, and for the limited purposes set forth therein, Transocean Ltd. and certain of Transocean Inc.'s subsidiaries	Exhibit 10.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on August 1, 2022
* 10.1	Amended and Restated 2015 Transocean Ltd. Long-Term Incentive Plan	Exhibit 10.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on June 1, 2021
10.2	Shipyards Credit Agreement for <i>Deepwater Atlas</i> , dated as of June 5, 2021, by and between Jurong Shipyards Pte. Ltd. and Transocean Offshore Deepwater Holdings Limited	Exhibit 10.2 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 001-38373) for the quarter ended June 30, 2021 filed on August 3, 2021
10.3	Shipyards Credit Agreement for <i>Deepwater Titan</i> , dated as of June 5, 2021, by and between Jurong Shipyards Pte. Ltd. and Transocean Offshore Deepwater Holdings Limited	Exhibit 10.3 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 001-38373) for the quarter ended June 30, 2021 filed on August 3, 2021
* 10.4	Long-Term Incentive Plan of Transocean Ltd. (as amended and restated as of February 12, 2009)	Exhibit 10.5 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2008

NUMBER	DESCRIPTION	LOCATION
* 10.5	First Amendment to Long-Term Incentive Plan of Transocean Ltd. (as amended and restated as of February 12, 2009)	Exhibit 10.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on May 22, 2013
* 10.6	Deferred Compensation Plan of Transocean Offshore Inc., as amended and restated effective January 1, 2000	Exhibit 10.10 to Transocean Sedco Forex Inc.'s Annual Report on Form 10-K (Commission File No. 333-75899) for the year ended December 31, 1999
* 10.7	GlobalSantaFe Corporation Key Employee Deferred Compensation Plan effective January 1, 2001 and Amendment to GlobalSantaFe Corporation Key Employee Deferred Compensation Plan effective November 20, 2001	Exhibit 10.33 to the GlobalSantaFe Corporation Annual Report on Form 10-K (Commission File No. 001-14634) for the year ended December 31, 2004
* 10.8	Amendment to Transocean Inc. Deferred Compensation Plan	Exhibit 10.1 to Transocean Inc.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on December 29, 2005
* 10.9	Form of 2004 Performance-Based Nonqualified Share Option Award Letter	Exhibit 10.2 to Transocean Inc.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on February 15, 2005
* 10.10	Form of 2004 Director Deferred Unit Award	Exhibit 10.4 to Transocean Inc.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on February 15, 2005
* 10.11	Form of 2008 Director Deferred Unit Award	Exhibit 10.20 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2008
* 10.12	Form of 2009 Director Deferred Unit Award	Exhibit 10.19 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2009
* 10.13	Terms and Conditions of 2013 Director Deferred Unit Award	Exhibit 10.14 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2015
* 10.14	Terms and Conditions of 2014 Director Deferred Unit Award	Exhibit 10.15 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2015
* 10.15	Terms and Conditions of 2015 Director Restricted Share Unit Award	Exhibit 10.16 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2015
* 10.16	Terms and Conditions of 2014 Executive Equity Award	Exhibit 10.19 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2015
* 10.17	Terms and Conditions of 2015 Executive Equity Award	Exhibit 10.20 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2015
10.18	Terms and Conditions of the July 2008 Nonqualified Share Option Award	Exhibit 10.2 to Transocean Inc.'s Quarterly Report on Form 10-Q (Commission File No. 333-75899) for the quarter ended June 30, 2008
* 10.19	Terms and Conditions of the February 2009 Nonqualified Share Option Award	Exhibit 10.30 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2008
* 10.20	Terms and Conditions of the February 2012 Long Term Incentive Plan Award	Exhibit 10.28 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2011
* 10.21	Transocean Ltd. Incentive Recoupment Policy	Exhibit 10.30 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2012
10.22	Form of Novation Agreement dated as of November 27, 2007 by and among GlobalSantaFe Corporation, Transocean Offshore Deepwater Drilling Inc. and certain executives	Exhibit 10.1 to Transocean Inc.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on December 3, 2007
* 10.23	Global Marine Inc. 1990 Non-Employee Director Stock Option Plan	Exhibit 10.18 of Global Marine Inc.'s Annual Report on Form 10-K (Commission File No. 001-05471) for the year ended December 31, 1991
* 10.24	First Amendment to Global Marine Inc. 1990 Non-Employee Director Stock Option Plan	Exhibit 10.1 of Global Marine Inc.'s Quarterly Report on Form 10-Q (Commission File No. 001-05471) for the quarter ended June 30, 1995

NUMBER	DESCRIPTION	LOCATION
* 10.25	Second Amendment to Global Marine Inc. 1990 Non-Employee Director Stock Option Plan	Exhibit 10.37 of Global Marine Inc.'s Annual Report on Form 10-K (Commission File No. 001-05471) for the year ended December 31, 1996
* 10.26	1997 Long-Term Incentive Plan	GlobalSantaFe Corporation's Registration Statement on Form S-8 (No. 333-7070) filed June 13, 1997
* 10.27	Amendment to 1997 Long Term Incentive Compensation Plan	Exhibit 10.25 of GlobalSantaFe Corporation's Annual Report on Form 20-F (Commission File No. 001-14634) for the year ended December 31, 1998
* 10.28	Amendment to 1997 Long Term Incentive Plan, dated December 1, 1999	Exhibit 10.33 of GlobalSantaFe Corporation's Annual Report on Form 20-F (Commission File No. 001-14634) for the year ended December 31, 1999
* 10.29	GlobalSantaFe Corporation 1998 Stock Option and Incentive Plan	Exhibit 10.1 of Global Marine Inc.'s Quarterly Report on Form 10-Q (Commission File No. 001-05471) for the quarter ended March 31, 1998
* 10.30	First Amendment to GlobalSantaFe Corporation 1998 Stock Option and Incentive Plan	Exhibit 10.2 of Global Marine Inc.'s Quarterly Report on Form 10-Q (Commission File No. 001-05471) for the quarter ended June 30, 2000
* 10.31	GlobalSantaFe Corporation 2001 Non-Employee Director Stock Option and Incentive Plan	Exhibit 4.8 of GlobalSantaFe Corporation's Registration Statement on Form S-8 (No. 333-73878) filed on November 21, 2001
* 10.32	GlobalSantaFe Corporation 2001 Long-Term Incentive Plan	Exhibit A to GlobalSantaFe Corporation's definitive proxy statement (Commission File No. 001-14634) filed on March 21, 2001
* 10.33	GlobalSantaFe 2003 Long-Term Incentive Plan (as Amended and Restated Effective June 7, 2005)	Exhibit 10.4 to GlobalSantaFe Corporation's Quarterly Report on Form 10-Q (Commission File No. 001-14634) for the quarter ended June 30, 2005
* 10.34	Transocean Ltd. Pension Equalization Plan, as amended and restated, effective January 1, 2009	Exhibit 10.41 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2008
* 10.35	Transocean U.S. Supplemental Retirement Benefit Plan, as amended and restated, effective as of November 27, 2007	Exhibit 10.11 to Transocean Inc.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on December 3, 2007
* 10.36	GlobalSantaFe Corporation Supplemental Executive Retirement Plan	Exhibit 10.1 to the GlobalSantaFe Corporation Quarterly Report on Form 10-Q (Commission File No. 001-14634) for the quarter ended September 30, 2002
* 10.37	Transocean U.S. Supplemental Savings Plan, as amended and restated, effective as of January 1, 2009	Exhibit 10.44 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 000-53533) for the year ended December 31, 2008
10.38	Form of Indemnification Agreement entered into between Transocean Ltd. and each of its Directors and Executive Officers	Exhibit 10.1 to Transocean Inc.'s Current Report on Form 8-K (Commission File No. 333-75899) filed on October 10, 2008
* 10.39	Form of Assignment Memorandum for Executive Officers	Exhibit 10.6 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on December 19, 2008
10.40	Drilling Contract between Vastar Resources, Inc. and R&B Falcon Drilling Co. dated December 9, 1998 with respect to <i>Deepwater Horizon</i> , as amended	Exhibit 10.1 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 000-53533) for the quarter ended June 30, 2010
* 10.41	Executive Severance Benefit Policy	Exhibit 10.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 000-53533) filed on February 23, 2012
10.42	Term Sheet Agreement for a Transocean and PSC/DHEPDS Settlement, dated May 20, 2015, among Triton Asset Leasing GmbH, Transocean Deepwater Inc., Transocean Offshore Deepwater Drilling Inc., Transocean Holdings LLC, the Plaintiffs Steering Committee in MDL 2179, and the <i>Deepwater Horizon</i> Economic and Property Damages Settlement Class	Exhibit 10.3 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 000-53533) for the quarter ended June 30, 2015
10.43	Confidential Settlement Agreement, Mutual Releases and Agreement to Indemnify, dated May 20, 2015, among Transocean Offshore Deepwater Drilling Inc., Transocean Deepwater Inc., Transocean Holdings LLC, Triton Asset Leasing GmbH, BP Exploration and Production Inc. and BP America Production Co.	Exhibit 10.6 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 000-53533) for the quarter ended June 30, 2015

NUMBER	DESCRIPTION	LOCATION
10.44	Transocean Punitive Damages and Assigned Claims Settlement Agreement, dated May 29, 2015, among Transocean Offshore Deepwater Drilling Inc., Transocean Deepwater Inc., Transocean Holdings LLC, Triton Asset Leasing GmbH, the Plaintiffs Steering Committee in MDL 2179, and the <i>Deepwater Horizon</i> Economic and Property Damages Settlement Class	Exhibit 10.7 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 000-53533) for the quarter ended June 30, 2015
* 10.45	Employment Agreement with Jeremy D. Thigpen effective September 1, 2016	Exhibit 10.1 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 000-53533) for the quarter ended September 30, 2016
* 10.46	Employment Agreement with Mark L. Mey effective September 1, 2016	Exhibit 10.2 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 000-53533) for the quarter ended September 30, 2016
* 10.47	Amended and Restated Performance Award and Cash Bonus Plan of Transocean Ltd.	Exhibit 10.48 to Transocean Ltd.'s Annual Report on Form 10-K (Commission File No. 001-38373) for the year ended December 31, 2020
* 10.48	Terms and Conditions of 2020 Executive Equity Awards	Exhibit 10.2 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 001-38373) for the quarter ended June 30, 2020
* 10.49	Terms and Conditions of 2020 Director Restricted Share Unit Award	Exhibit 10.3 to Transocean Ltd.'s Quarterly Report on Form 10-Q (Commission File No. 001-38373) for the quarter ended June 30, 2020
* 10.50	Terms and Conditions of 2023 Executive Equity Awards	Filed herewith
* 10.51	Employment Agreement with Keelan Adamson effective February 16, 2022	Exhibit 10.1 to Transocean Ltd.'s Current Report on Form 8-K (Commission File No. 001-38373) filed on February 17, 2022
21	Subsidiaries of Transocean Ltd.	Filed with our Annual Report on Form 10-K for the year ended December 31, 2022
23.1	Consent of Ernst & Young LLP	Filed with our Annual Report on Form 10-K for the year ended December 31, 2022
24	Powers of Attorney	Filed with our Annual Report on Form 10-K for the year ended December 31, 2022
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed with our Annual Report on Form 10-K for the year ended December 31, 2022
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed with our Annual Report on Form 10-K for the year ended December 31, 2022
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished with our Annual Report on Form 10-K for the year ended December 31, 2022
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished with our Annual Report on Form 10-K for the year ended December 31, 2022
101	Interactive data files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language: (i) our consolidated balance sheets as of December 31, 2021 and December 31, 2020; (ii) our consolidated statements of operations for the years ended December 31, 2021, 2020 and 2019; (iii) our consolidated statements of comprehensive loss for the years ended December 31, 2021, 2020 and 2019; (iv) our consolidated statements of equity for the years ended December 31, 2021, 2020 and 2019; (v) our consolidated statements of cash flows for the years ended December 31, 2021, 2020 and 2019; and (vi) the notes to consolidated financial statements	Filed with our Annual Report on Form 10-K for the year ended December 31, 2022
104	The cover page from our annual report on Form 10-K for the year ended December 31, 2021, formatted in Inline Extensible Business Reporting Language	Filed with our Annual Report on Form 10-K for the year ended December 31, 2022

* Compensatory plan or arrangement

Exhibits listed above as previously having been filed with the U.S. Securities and Exchange Commission are incorporated herein by reference pursuant to Rule 12b-32 under the Securities Exchange Act of 1934 and made a part hereof with the same effect as if filed herewith.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated on February 22, 2023.

<u>Signature</u>	<u>Title</u>
<hr/> *	Chairman of the Board of Directors
<hr/> Chadwick C. Deaton	
<hr/> /s/ Jeremy D. Thigpen	Chief Executive Officer (Principal Executive Officer)
<hr/> Jeremy D. Thigpen	
<hr/> /s/ Mark L. Mey	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<hr/> Mark L. Mey	
<hr/> /s/ David Tonnel	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)
<hr/> David Tonnel	
<hr/> *	Director
<hr/> Glyn A. Barker	
<hr/> *	Director
<hr/> Vanessa C.L. Chang	
<hr/> *	Director
<hr/> Frederico F. Curado	
<hr/> *	Director
<hr/> Vincent J. Intrieri	
<hr/> *	Director
<hr/> Samuel J. Merksamer	
<hr/> *	Director
<hr/> Frederik W. Mohn	
<hr/> *	Director
<hr/> Edward R. Muller	
<hr/> *	Director
<hr/> Margareth Øvrum	
<hr/> *	Director
<hr/> Diane de Saint Victor	
<hr/> By: /s/ David Tonnel	
<hr/> (Attorney-in-Fact)	

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TRANSOCEAN LTD.

STATUTORY FINANCIAL STATEMENTS
For the years ended December 31, 2022 and 2021

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To the General Meeting of
Transocean Ltd., Steinhausen

Zurich, February 22, 2023

Report of the statutory auditor on the financial statements



Opinion

We have audited the financial statements of Transocean Ltd. (the Company), which comprise the statement of operations for the year ended December 31, 2022, the balance sheet as at that date, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment of investments in subsidiaries

Area of focus

Transocean Ltd. evaluates its investments in subsidiaries for impairment annually and records an impairment loss when the carrying amount of such assets exceeds the recoverable amount. The assessment of the existence of any indicators of impairment of the carrying amount of investments in subsidiaries is judgmental. In the event that indicators of impairment are identified, the assessment of the recoverable amounts is also judgmental and requires estimation and the use of subjective assumptions.

Transocean Ltd. measures the recoverable amount of its investments in subsidiaries by applying a variety of valuation methods, incorporating a combination of income and market approaches and using projected discounted cash flows.

The primary risks are identifying impairment indicators, inaccurate models being used for the impairment assessment, and that the assumptions to support the value of the investments are inappropriate. The principal consideration for our determination that the impairment assessment of investments in subsidiaries is a key audit matter is the subjectivity in the assessment of the recoverable amounts which requires estimation and the use of subjective assumptions.

See Note 3 to these financial statements for Transocean Ltd.'s disclosures related to investment in subsidiaries.

Our audit response

Our audit procedures related to the key audit matter of the impairment assessment of investments in subsidiaries included the following procedures:

We performed inquiries of management about the current market conditions supporting the evaluation of potential impairment indicators, tested the key assumptions used, and performed procedures on Transocean Ltd.'s prospective financial information.

We involved valuation specialists to assist in the evaluation of management's valuation models and impairment analyses, specifically in testing key assumptions and prospective financial information.

We performed procedures to assess the valuation models for evidence of management bias considering contrary evidence from third party analyst reports and press releases.

Our audit procedures did not lead to any reservations regarding the impairment assessment of investments in subsidiaries.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.



Report on other legal requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

/s/ Reto Hofer
Licensed audit expert
(Auditor in charge)

/s/ Ralph Petermann
Certified public accountant

TRANSOCEAN LTD.
STATEMENTS OF OPERATIONS
(In thousands)

	Years ended December 31,			
	2022		2021	
Income				
Dividend income	CHF	16,790	CHF	26,876
Guarantee fee income		979		254
Administrative services income		595		—
Total income		18,364		27,130
Costs and expenses				
General and administrative		27,556		16,361
Financial expense		40,883		30,866
(Gain) loss on currency exchange		(712)		3,505
Total costs and expenses		67,727		50,732
Loss on impairment		—		(272,810)
Direct taxes		272		—
Net loss for the year	CHF	(49,091)	CHF	(296,412)

See accompanying notes.

TRANSOCEAN LTD.
BALANCE SHEETS
(In thousands)

	December 31,			
	2022		2021	
Assets				
Cash	CHF	682	CHF	6,200
Receivables from subsidiaries		10,622		13,861
Other current assets		2,854		2,034
Total current assets		14,158		22,095
Investment in subsidiaries		4,200,876		4,200,876
Property and equipment		1,140		1,126
Less accumulated depreciation		1,140		1,126
Property and equipment, net		—		—
Other non-current assets		968		969
Total non-current assets		4,201,844		4,201,845
Total assets	CHF	4,216,002	CHF	4,223,940
Liabilities and shareholders' equity				
Accounts payable to subsidiaries	CHF	8,543	CHF	15,199
Interest payable to subsidiaries		21,607		65,338
Other current liabilities		327		3,444
Total current liabilities		30,477		83,981
Long-term interest bearing notes payable to subsidiary		1,492,442		1,649,193
Long-term lease liabilities		397		454
Deferred gains on foreign exchange translation		118,891		149,607
Total non-current liabilities		1,611,730		1,799,254
Share capital		79,724		72,817
Statutory capital reserves from capital contribution		4,346,650		4,071,376
Statutory capital reserves from other capital reserves		27,982		27,982
Statutory capital reserves from capital contribution for shares held by subsidiaries		79,977		79,977
Free capital reserves from capital contribution		9,500,000		9,500,000
Accumulated loss				
Accumulated loss brought forward from previous years		(11,411,447)		(11,115,035)
Net loss for the year		(49,091)		(296,412)
Total shareholders' equity		2,573,795		2,340,705
Total liabilities and shareholders' equity	CHF	4,216,002	CHF	4,223,940

See accompanying notes.

TRANSOCEAN LTD.
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 1—GENERAL

Transocean Ltd. (the “Company”, “we”, “us”, or “our”) is the parent company of Transocean Inc., Transocean Management Services GmbH, and Transocean Quantum Holdings Limited, our direct wholly owned subsidiaries. Transocean Ltd. is registered with the commercial register in the canton of Zug, and its shares are listed on the New York Stock Exchange. At December 31, 2022 and 2021, we had fewer than 10 full-time employees.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Presentation—We have prepared our unconsolidated statutory financial statements in accordance with the accounting principles as set out in Art. 957 to Art. 963b, of the Swiss Code of Obligations (the “CO”). Since we have prepared our consolidated financial statements in accordance with U.S. generally accepted accounting standards, a recognized accounting standard, we have, in accordance with the CO, elected to forego presenting the statement of cash flows, the additional disclosures and the management report otherwise required by the CO. Our financial statements may be influenced by the creation and release of excess reserves.

Currency—We maintain our accounting records in U.S. dollars and translate them into Swiss francs for statutory reporting purposes. We translate into Swiss francs our assets and liabilities that are denominated in non-Swiss currencies using the year-end currency exchange rates, except prior-year transactions for our investments in subsidiaries and our shareholders’ equity, which are translated at historical exchange rates. We translate into Swiss francs our income statement transactions that are denominated in non-Swiss currencies using the average currency exchange rates for the year.

Our principal exchange rates were as follows:

	Average exchange rates for the years ended December 31,		Exchange rates at December 31,	
	2022	2021	2022	2021
	CHF / USD	0.95	0.91	0.92
CHF / GBP	1.19	1.25	1.12	1.24
CHF / EUR	1.01	1.08	0.99	1.04

We recognize realized currency exchange and translation gains and losses arising from business transactions and net unrealized currency exchange and translation losses in current period earnings. We defer net unrealized currency exchange and translation gains.

Cash—We hold cash balances, denominated in Swiss francs and U.S. dollars, which include cash deposited in demand bank accounts, money market investment accounts and other liquid investments and interest earned on such cash balances.

Current assets and liabilities—We record current assets at historical cost less adjustments for impairment of value and current liabilities at historical cost.

Investments in subsidiaries—We record our investments in subsidiaries at acquisition cost less adjustments for impairment of value. We evaluate our investments in subsidiaries for impairment annually and record an impairment loss when the carrying amount of such assets exceeds the fair value. We estimate fair value of our investments using a variety of valuation methods, including the income and market approaches. Our estimates of fair value represent a price that would be received to sell the asset in an orderly transaction between market participants in the principal market for the asset.

Own shares—We recognize own shares at acquisition cost, which we present as a deduction from shareholders’ equity at the time of acquisition. For own shares held by subsidiaries, we build a reserve for shares in equity at the respective acquisition costs.

Related parties—In the meaning of the CO, we consider related parties to be only shareholders, direct and indirect subsidiaries, and the board of directors.

NOTE 3—INVESTMENT IN SUBSIDIARIES

Direct Investments—Our direct investments in subsidiaries were as follows (in thousands, except percentages):

Company name	Purpose	Domicile	Ownership and voting interest	Share capital	Carrying amount as of December 31,	
					2022	2021
Transocean Inc.	Holding	Cayman Islands	100%	USD 3,192	CHF 4,200,768	CHF 4,200,768
Transocean Management Services GmbH	Management and administration	Switzerland	90%	CHF 20	CHF 108	CHF 108
Transocean Quantum Holdings Limited	Holding	Cayman Islands	100%	USD —	CHF —	CHF —

On July 16, 2020, we contributed USD 1 to Transocean Quantum Holdings Limited (TQHL), a Cayman Islands company limited by shares, formed to own and hold other entities.

TRANSOCEAN LTD.
NOTES TO STATUTORY FINANCIAL STATEMENTS—continued

Impairments—In the year ended December 31, 2022, as a result of our annual impairment test, we determined that the carrying amount of our investments in subsidiaries was not impaired. In the year ended December 31, 2021, as a result of our annual impairment test, we determined that the carrying amount of our investments in subsidiaries was impaired, and, as a result, we recognized a loss of CHF 272 million associated with the impairment of our investment in Transocean Inc.

Principal indirect investments—Our principal indirect investments in subsidiaries were as follows:

December 31, 2022			December 31, 2021		
Company name	Domicile	Ownership and voting interest	Company name	Domicile	Ownership and voting interest
Deepwater Pacific 1 Inc.	Cayman Islands	100%	Deepwater Pacific 1 Inc.	British Virgin Islands	100%
Global Marine Inc.	United States	100%	Global Marine Inc.	United States	100%
GSF Leasing Services GmbH	Switzerland	100%	GSF Leasing Services GmbH	Switzerland	100%
Sedco Forex International Inc.	Cayman Islands	100%	Sedco Forex International Inc.	Cayman Islands	100%
Transocean Asset Holdings 1 Limited	Cayman Islands	100%	Transocean Asset Holdings 1 Limited	Cayman Islands	100%
Transocean Asset Holdings 2 Limited	Cayman Islands	100%	Transocean Asset Holdings 2 Limited	Cayman Islands	100%
Transocean Asset Holdings 3 Limited	Cayman Islands	100%	Transocean Asset Holdings 3 Limited	Cayman Islands	100%
Transocean Atlas Limited	Cayman Islands	100%			
			Transocean Conqueror Limited	Cayman Islands	100%
Transocean Deepwater Drilling Services Limited	Cayman Islands	100%	Transocean Deepwater Drilling Services Limited	Cayman Islands	100%
Transocean Drilling Offshore S.a.r.l	Luxembourg	100%	Transocean Drilling Offshore S.a.r.l	Luxembourg	100%
Transocean Drilling U.K. Limited	Scotland	100%	Transocean Drilling U.K. Limited	Scotland	100%
Transocean Entities Holdings GmbH	Switzerland	100%	Transocean Entities Holdings GmbH	Switzerland	100%
Transocean Financing GmbH	Switzerland	100%	Transocean Financing GmbH	Switzerland	100%
Transocean Guardian Limited	Cayman Islands	100%	Transocean Guardian Limited	Cayman Islands	100%
Transocean Holdings 1 Limited	Cayman Islands	100%	Transocean Holdings 1 Limited	Cayman Islands	100%
Transocean Holdings 2 Limited	Cayman Islands	100%	Transocean Holdings 2 Limited	Cayman Islands	100%
Transocean Holdings 3 Limited	Cayman Islands	100%	Transocean Holdings 3 Limited	Cayman Islands	100%
Transocean Hungary Holdings LLC	Hungary	100%	Transocean Hungary Holdings LLC	Hungary	100%
Transocean Offshore Deepwater Drilling Inc.	United States	100%	Transocean Offshore Deepwater Drilling Inc.	United States	100%
Transocean Offshore Deepwater Holdings Limited	Cayman Islands	100%	Transocean Offshore Deepwater Holdings Limited	Cayman Islands	100%
Transocean Offshore Holdings Limited	Cayman Islands	100%	Transocean Offshore Holdings Limited	Cayman Islands	100%
Transocean Offshore International Ventures Limited	Cayman Islands	100%	Transocean Offshore International Ventures Limited	Cayman Islands	100%
Transocean Phoenix 2 Limited	Cayman Islands	100%	Transocean Phoenix 2 Limited	Cayman Islands	100%
Transocean Pontus Limited	Cayman Islands	100%	Transocean Pontus Limited	Cayman Islands	100%
Transocean Poseidon Limited	Cayman Islands	100%	Transocean Poseidon Limited	Cayman Islands	100%
Transocean Proteus Limited	Cayman Islands	100%	Transocean Proteus Limited	Cayman Islands	100%
Transocean Quantum Management Limited	Cayman Islands	100%	Transocean Quantum Management Limited	Cayman Islands	100%
Transocean Sentry Limited	Cayman Islands	100%	Transocean Sentry Limited	Cayman Islands	100%
Transocean Sub Asset Holdings 1 Limited	Cayman Islands	100%	Transocean Sub Asset Holdings 1 Limited	Cayman Islands	100%
Transocean Sub Asset Holdings 2 Limited	Cayman Islands	100%	Transocean Sub Asset Holdings 2 Limited	Cayman Islands	100%
Transocean Sub Asset Holdings 3 Limited	Cayman Islands	100%	Transocean Sub Asset Holdings 3 Limited	Cayman Islands	100%
Transocean Titan Financing Limited	Cayman Islands	100%			
Transocean Worldwide Inc.	Cayman Islands	100%	Transocean Worldwide Inc.	Cayman Islands	100%
Triton Asset Leasing GmbH	Switzerland	100%	Triton Asset Leasing GmbH	Switzerland	100%
Triton Atlas GmbH	Switzerland	100%			
Triton Hungary Investments 1 LLC	Hungary	100%	Triton Hungary Investments 1 LLC	Hungary	100%
Triton Nautilus Asset Leasing GmbH	Switzerland	100%	Triton Nautilus Asset Leasing GmbH	Switzerland	100%
Triton Titan GmbH	Switzerland	100%			
Triton Voyager Asset Leasing GmbH	Switzerland	100%	Triton Voyager Asset Leasing GmbH	Switzerland	100%

In the year ended December 31, 2022, we formed (a) Triton Atlas GmbH (TAG) to own the ultra-deepwater drillship *Deepwater Atlas*, which is held as security for borrowings under a shipyard loan, and (b) Transocean Titan Financing Limited to issue senior secured notes that will be secured by the ultra-deepwater drillship *Deepwater Titan*, which is currently under construction.

TRANSOCEAN LTD.
NOTES TO STATUTORY FINANCIAL STATEMENTS—continued

NOTE 4—SHAREHOLDERS' EQUITY

Overview—Changes in our shareholders' equity were as follows (in thousands):

	Share capital		Statutory capital reserves			Free reserves		Accumulated loss	Total shareholders' equity
	Shares	Amount	from capital contribution	from other capital reserves	from capital contribution for shares held by subsidiaries (a)	Free capital reserves from capital contribution			
Balance at December 31, 2020	639,676	CHF 63,967	CHF 11,925,475	CHF 27,982	CHF 79,976	CHF 1,500,000	CHF (11,115,035)	CHF 2,482,365	
Shares issued to Transocean Inc.	88,500	8,850	—	—	—	—	—	8,850	
Release of statutory capital reserves from capital contribution	—	—	(8,000,000)	—	—	8,000,000	—	—	
Shares issued under at-the-market equity offering	—	—	145,899	—	—	—	—	145,899	
Shares issued for exchanged debt	—	—	3	—	—	—	—	3	
Own share transactions	—	—	(1)	—	1	—	—	—	
Net loss for the year	—	—	—	—	—	—	(296,412)	(296,412)	
Balance at December 31, 2021	728,176	72,817	4,071,376	27,982	79,977	9,500,000	(11,411,447)	2,340,705	
Shares issued to Transocean Inc.	69,068	6,907	—	—	—	—	—	6,907	
Shares issued for exchanged debt	1	—	7	—	—	—	—	7	
Shares issued under at-the-market equity offering	—	—	252,701	—	—	—	—	252,701	
Shares issued for long-term incentive plans	—	—	22,566	—	—	—	—	22,566	
Net loss for the year	—	—	—	—	—	—	(49,091)	(49,091)	
Balance at December 31, 2022	797,245	CHF 79,724	CHF 4,346,650	CHF 27,982	CHF 79,977	CHF 9,500,000	CHF (11,460,538)	CHF 2,573,795	

a) The statutory capital reserve from capital contribution for shares held by subsidiaries represents the aggregate cost of own shares held indirectly through Transocean Inc. During the year ended December 31, 2021, Transocean Inc. withheld 418 own shares, through a broker arrangement in satisfaction of withholding taxes due by our employees upon the vesting of equity awards granted under our long-term incentive plan. See Note 5—Own Shares.

Authorized share capital—During the year ended December 31, 2022, our board of directors approved out of authorized share capital the issuance of 69.1 million, par value CHF 0.10 each, for an aggregate value of USD 7 million, equivalent to CHF 7 million, earmarked for the at-the-market equity offering (the "ATM Program"). During the year ended December 31, 2021, our board of directors approved out of authorized share capital the issuance of 88.5 million of our shares, par value CHF 0.10 each, for an aggregate value of USD 10 million, equivalent to CHF 9 million, earmarked for the ATM Program. At December 31, 2022, based on shareholder approval dated May 12, 2022, the remaining authority of our board of directors to issue shares out of authorized share capital is limited to a maximum of 107.8 million shares.

In May 2021, we received a deposit of CHF 5.4 million in our capital increase account from Transocean Inc. In October 2021, we issued to Transocean Inc. shares with par value of CHF 4.2 million. At December 31, 2021, we held CHF 5.4 million of freely available funds in an escrow account, recorded in cash, and we had a liability of CHF 1.2 million, payable to Transocean Inc. and recorded in accounts payable to subsidiaries, for the unused balance.

Conditional share capital—Our articles of association provide for a conditional share capital that permits us to issue up to 142.4 million additional shares, under the following circumstances, without obtaining additional shareholder approval:

- (1) through the exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted in connection with bonds, options, warrants or other securities newly or already issued in national or international capital markets or new or already existing contractual obligations convertible into or exercisable or exchangeable for our shares or the shares of one of our group companies or any of their respective predecessors; or
- (2) in connection with the issuance of shares, options or other share-based awards to directors, employees, contractors, consultants or other persons providing services to us.

In connection with the issuance of bonds, notes, warrants or other financial instruments or contractual obligations that are convertible into, exercisable for or exchangeable for our registered shares, our board of directors is authorized to withdraw or limit the advance subscription rights of shareholders under certain circumstances. In connection with the issuance of shares, options or other share-based awards to directors, employees, contractors, consultants or other persons providing services to us, the preemptive rights and the advance subscription rights of shareholders are excluded. In the years ended December 31, 2022 and 2021, we issued 681 shares and 291 shares, respectively, out of conditional share capital to holders that exercised their options to exchange the 0.50% exchangeable senior bonds due 2023 into our shares. In March 2019, we and Transocean Inc. entered into an option agreement, pursuant to which we granted Transocean Inc. the right to acquire 12.0 million shares from us to satisfy obligations under our share-based compensation plans. In March 2019, we issued to 1.4 million shares out of conditional share capital to Transocean Inc. upon partial exercise of its right to acquire our shares under the option agreement in exchange for USD 12 million, equivalent to CHF 12 million. At December 31, 2022 and 2021, our board of directors were authorized to issue up to a maximum of 142.4 million shares out of conditional share capital.

TRANSOCEAN LTD.
NOTES TO STATUTORY FINANCIAL STATEMENTS—continued

Share issuance—We intend to use the net proceeds of our ongoing ATM Program for general corporate purposes, which may include, among other things, the repayment or refinancing of indebtedness and the funding of working capital, capital expenditures, investments, and additional balance sheet liquidity. In June 2021, we entered into an equity distribution agreement with a sales agent for the offer and sale of our shares with up to a maximum aggregate net offering price of USD 400 million, equivalent to CHF 360 million, under the ATM Program. In August 2022, we entered into an equity distribution agreement with a sales agent for the offer and sale of our shares with a maximum aggregate net offering price of up to USD 435 million, equivalent to CHF 418 million under the ATM Program. In the years ended December 31, 2022 and 2021, we received aggregate cash proceeds of USD 270 million and USD 162 million, equivalent to CHF 259 million and CHF 150 million, respectively, for the aggregate sale of 61.0 million and 36.1 million shares, respectively, under the ATM Program.

Qualified capital loss—As of December 31, 2020, our balance sheet presented a qualified loss since our net assets cover less than 50 percent of our statutory share capital and statutory capital reserves. As of December 31, 2022, under Swiss law, if assets cover less than 50 percent of our statutory share capital and statutory capital reserves, the board of directors must propose measures to address such a capital loss. In May 2021, shareholders at our 2021 annual general meeting approved the release of CHF 8.00 billion of statutory capital reserves from capital contribution for allocation to free capital reserves from capital contribution, thereby remediating the qualified capital loss and reducing the statutory capital reserves from capital contribution, which, unlike free capital reserves, are part of the equity capital against which excess coverage is measured.

NOTE 5—OWN SHARES

Overview—The following is a summary of changes in the registered shares held by Transocean Inc. to satisfy obligations under our share-based compensation plans (in thousands, except percentages):

	Own shares	Total shares issued	Percentage of shares issued
Balance at December 31, 2020	24,503	639,676	3.83%
Transfers under share-based compensation plans	(4,399)		
Shares released from escrow	123		
Shares issued to Transocean Inc.	88,500		
Shares issued under at-the-market equity offering	(36,089)		
Shares issued in prior period	33		
Balance at December 31, 2021	72,671	728,176	9.98%
Transfers under share-based compensation plans	(5,374)		
Shares issued to Transocean Inc.	69,068		
Shares issued under at-the-market equity offering	(61,008)		
Balance at December 31, 2022	75,357	797,245	9.45%

Shares held by subsidiaries—Transocean Inc. holds our shares to satisfy our obligations to deliver shares in connection with awards granted under our incentive plans or other rights to acquire our shares through equity offerings. In the years ended December 31, 2022 and 2021, we transferred 5.4 million and 4.4 million shares, respectively, at historical cost, from the own shares held by Transocean Inc. to satisfy obligations under our share-based compensation plans. In the year ended December 31, 2021, we received cash proceeds of less than CHF 1 million for own shares transferred in exchange for equity awards exercised or withheld for taxes under our share-based compensation plans. At December 31, 2022 and 2021, Transocean Inc. held 14.9 million and 20.3 million of our shares, respectively, to satisfy obligations under our share-based compensation plans.

In the years ended December 31, 2022 and 2021, we transferred 69.1 million and 88.5 million shares, respectively, at par value, to Transocean Inc. for ATM Program. At commencement of ATM Program, Transocean Inc. transferred shares to us, equal to shares issued under ATM Program, at par value, together with a fee of 5 percent on the par value of the transferred shares. At December 31, 2022 and 2021, Transocean Inc. held 60.5 million and 52.4 million of our shares, respectively, for ATM program.

Share repurchase program—In May 2009, at our annual general meeting, our shareholders approved and authorized our board of directors, at its discretion, to repurchase an amount of our shares for cancellation with an aggregate purchase price of up to CHF 3.50 billion. At December 31, 2022, the authorization remaining under the share repurchase program was for the repurchase of our outstanding shares for an aggregate cost of up to CHF 3.24 billion. The share repurchase program may be suspended or discontinued by our board of directors or company management, as applicable, at any time.

TRANSOCEAN LTD.
NOTES TO STATUTORY FINANCIAL STATEMENTS—continued

NOTE 6—SHARE OWNERSHIP

Significant shareholders—Certain significant shareholders have reported to us that they held, directly or through their affiliates, the following beneficial interests in excess of 5 percent of our issued share capital (in thousands, except percentages):

December 31, 2022			December 31, 2021		
Name	Number of shares	Percentage of issued share capital	Name	Number of shares	Percentage of issued share capital
The Vanguard Group	63,405	8.78%	The Vanguard Group	51,597	7.87%
PRIMECAP Management Company	46,565	6.45%	PRIMECAP Management Company	47,524	7.25%
Frederik W. Mohn / Perestroika AS	48,268	6.69%	Frederik W. Mohn / Perestroika AS	46,213	7.05%

Shares held by members of our board of directors—The members of our board of directors held shares, including shares held privately, as follows:

Name	December 31, 2022		December 31, 2021	
	Vested shares and unvested share units	Stock options and conversion rights	Vested shares and unvested share units	Stock options and conversion rights
Chadwick C. Deaton	489,040	—	383,050	—
Glyn A. Barker	312,457	—	254,785	—
Vanessa C.L. Chang	364,415	—	297,427	—
Frederico F. Curado	309,473	—	254,785	—
Vincent J. Intriери	324,713	—	270,025	—
Samuel J. Merksamer	315,449	—	260,761	—
Frederick W. Mohn (a)	48,267,959	34,618,147	46,213,271	34,618,147
Edward R. Muller	340,639	—	285,951	—
Margareth Øvrum	108,952	—	54,264	—
Diane de Saint Victor	217,134	—	162,446	—
Jeremy D. Thigpen	7,197,866	1,212,621	5,386,489	1,212,621
Total	58,248,097	35,830,768	53,823,254	35,830,768

a) Mr. Mohn and his affiliates hold conversion rights associated with the Exchangeable Bonds.

Shares held by members of our executive management team—Our executive management team consists of the Chief Executive Officer, the Executive Vice President and Chief Financial Officer, and the President and Chief Operations Officer. The members of our executive management team held shares, including shares held privately, and conditional rights to receive shares under our share-based compensation plans as follows:

Name	December 31, 2022					December 31, 2021				
	Number of shares held	Number of granted share units vesting in 2023	Number of granted share units vesting in 2024	Number of granted share units vesting in 2025	Total shares and share units	Number of shares held	Number of granted share units vesting in 2022	Number of granted share units vesting in 2023	Number of granted share units vesting in 2024	Total shares and share units
Jeremy D. Thigpen	1,967,879	2,145,628	1,880,820	385,357	6,379,684	1,327,579	1,611,342	1,760,272	362,319	5,061,512
Mark L. Mey	822,392	773,105	642,929	130,058	2,368,484	581,024	612,200	643,048	130,435	1,966,707
Keelan I. Adamson	121,020	667,610	641,379	134,875	1,564,884	286,371	481,730	532,736	109,904	1,410,741
Total	2,911,291	3,586,343	3,165,128	650,290	10,313,052	2,194,974	2,705,272	2,936,056	602,658	8,438,960

The number of granted share units vesting in future years represents the vesting of previously granted service awards and performance awards in the form of share units. Total shares exclude vested but unissued shares for share units granted from 2020 to 2022, which are expected to be issued in the first quarter of 2023.

Stock options held by members of the executive management team—The members of our executive management team held vested and unvested stock options as follows:

Name	December 31, 2022					December 31, 2021				
	Number of granted stock options vested and outstanding	Number of granted stock options vesting in 2023	Number of granted stock options vesting in 2024	Number of granted stock options vesting in 2025	Total vested and unvested stock options	Number of granted stock options vested and outstanding	Number of granted stock options vesting in 2022	Number of granted stock options vesting in 2023	Number of granted stock options vesting in 2024	Total vested and unvested stock options
Jeremy D. Thigpen	1,212,621	—	—	—	1,212,621	1,068,588	144,033	—	—	1,212,621
Mark L. Mey	485,597	—	—	—	485,597	430,041	55,556	—	—	485,597
Keelan I. Adamson	280,623	—	—	—	280,623	252,041	37,037	—	—	289,078
Total	1,978,841	—	—	—	1,978,841	1,750,670	236,626	—	—	1,987,296

TRANSOCEAN LTD.
NOTES TO STATUTORY FINANCIAL STATEMENTS—continued

Shares granted—We granted the following service awards and performance awards to members of our board, members of our executive management team and employees:

Name	December 31, 2022		December 31, 2021	
	Number of share units granted	Value of share units	Number of share units granted	Value of share units
Non-executive board members	548,182	CHF 1,966,149	1,646,392	CHF 5,433,619
Executive management team	3,863,047	13,830,395	3,528,383	11,625,713
Employees	40,000	165,970	26,221	84,589
Total	4,451,229	CHF 15,962,514	5,200,996	CHF 17,143,921

NOTE 7—GUARANTEES, CONTINGENCIES AND COMMITMENTS

Transocean Inc. and certain indirect subsidiaries' debt obligations—Transocean Inc., Transocean Guardian Limited, Transocean Phoenix 2 Limited, Transocean Pontus Limited, Transocean Poseidon Limited, Transocean Proteus Limited and Transocean Sentry Limited have each issued certain debt securities or entered into other credit arrangements, including notes, bank credit agreements, debentures, surety bonds and letters of credit. We agreed to guarantee certain of these debt securities or other credit arrangements in exchange for a guarantee fee from our subsidiaries. With certain exceptions under the indentures of the debt securities issued by our subsidiaries, we are not subject to significant restrictions on our ability to obtain funds from our consolidated subsidiaries by dividends, loans or return of capital distributions. At December 31, 2022 and 2021, the aggregate carrying amount of debt that we have guaranteed was USD 7.08 billion and USD 6.89 billion, respectively, equivalent to approximately CHF 6.55 billion and CHF 6.28 billion, respectively. In the years ended December 31, 2022 and 2021, we recognized guarantee fee income of CHF 1 million.

Surety bond performance obligations—On August 18, 2020, we provided a guarantee in favor of our subsidiaries issuing or reinsuring or procuring the issue or reinsurance of surety bonds in Brazil. At December 31, 2022, our guarantee was in support of USD 61 million of outstanding surety bonds.

Swiss group value added tax obligations—We are one of a group of Swiss entities that are jointly and severally liable for the entire Swiss value added tax amount due to the Swiss tax authorities by this group.

Subsequent events—In January 2023, we along with certain affiliated companies agreed to guarantee USD 1.175 billion, equivalent to CHF 1.084 billion, aggregate principal amount of senior secured notes issued by Transocean Inc. and USD 525 million, equivalent to CHF 483 million, aggregate principal amount of senior secured notes issued by Transocean Titan Financing Limited. In connection with our guarantee of these senior secured notes, we will earn guarantee fee income from Transocean Inc. and Transocean Titan Financing Limited on outstanding aggregate principal amount of the notes.

In January 2023, Transocean Guardian Limited, Transocean Phoenix 2 Limited, Transocean Pontus Limited, Transocean Proteus Limited and Transocean Sentry Limited redeemed the senior secured notes and as a result, we no longer provide guarantees for such notes and no longer earn related guarantee fee income.

NOTE 8—RELATED PARTY TRANSACTIONS

Credit agreements—On June 1, 2011, we and Transocean Inc., as the borrower and lender, respectively, entered into a credit agreement establishing a USD 2.00 billion revolving credit facility. Under the terms of the agreement, as amended, interest is incurred on outstanding borrowings at a variable rate based on the Swiss Safe Harbor Rate and payable at maturity. At December 31, 2022, we had no borrowings outstanding under the revolving credit facility. At December 31 2021, we had USD 4 million, equivalent to approximately CHF 4 million, outstanding under the revolving credit facility at a rate of 1.25 percent.

On November 30, 2018, we and Transocean Inc., as the borrower and lender, respectively, entered into a credit agreement establishing a USD 1.20 billion revolving credit facility, which is scheduled to expire on December 5, 2024. Under the terms of the agreement, as amended, interest is incurred on outstanding borrowings at a variable rate based on the Swiss Safe Harbor Rate and payable at maturity. At December 31, 2022 and 2021, we had borrowings of USD 734 million and USD 1.13 billion, equivalent to CHF 678 million and CHF 1.03 billion, respectively, outstanding under the credit facility at an interest rate of 2.0 percent and 1.25 percent, respectively.

Exchangeable notes—On September 30, 2022, we issued to Transocean Inc. USD 300 million aggregate principal amount of an exchangeable loan note (the "4.625% note") with interest payable semiannually at a rate of 4.625 percent per annum in a non-cash exchange for USD 73 million aggregate principal amount of the 0.5 percent loan note and USD 227 million aggregated principal amount of the 1.2 billion revolving credit facility. The 4.625% note may be converted at any time prior to the maturity date at an exchange rate of 290.6618 shares per USD 1,000 note, which implies a conversion price of USD 3.44 per share, subject to adjustment upon the occurrence of certain events. Transocean Inc. may require us to repurchase all or a portion of the 4.625% note upon the occurrence of certain events. At December 31 2022, the outstanding principal amount of the 4.625% note was USD 300 million, equivalent to approximately CHF 277 million.

TRANSOCEAN LTD.
NOTES TO STATUTORY FINANCIAL STATEMENTS—continued

On February 26, 2021, we issued to Transocean Inc. USD 294 million aggregate principal amount of an exchangeable loan note (the “4.0% note”) with interest payable semiannually at a rate of 4.0 percent per annum in a non-cash exchange for USD 323 million aggregate principal amount of the 0.5 percent loan note. The 4.0% note may be converted at any time prior to the maturity date at an exchange rate of 190.4762 shares per USD 1,000 note, which implies a conversion price of USD 5.25 per share, subject to adjustment upon the occurrence of certain events. Transocean Inc. may require us to repurchase all or a portion of the 4.0% note upon the occurrence of certain events. At December 31 2022 and 2021, the outstanding principal amount of the 4.0% note was USD 294 million, equivalent to approximately CHF 272 million and CHF 268 million, respectively.

On August 14, 2020, we issued to Transocean Inc. USD 238 million aggregate principal amount of an exchangeable loan note (the “2.5% note”) with interest payable semiannually at a rate of 2.5 percent per annum in a non-cash exchange for USD 397 million aggregate principal amount of the 0.5 percent loan note. The 2.5% note may be exchanged at any time prior to the maturity date at an exchange rate of 162.1626 shares per USD 1,000 note, which implies a conversion price of USD 6.17 per share, subject to adjustment upon the occurrence of certain events. Transocean Inc. may require us to repurchase all or a portion of the 2.5% note upon the occurrence of certain events. At December 31, 2022 and 2021, the outstanding principal amount of the 2.5% note was USD 238 million, equivalent to approximately CHF 220 million and CHF 217 million, respectively.

In the year ended December 31, 2018, we issued to Transocean Inc. USD 863 million aggregate principal amount of an exchangeable loan note, as amended (the “0.5% note”), with interest payable at maturity at a rate of 0.50 percent per annum. The 0.5% note may be exchanged at any time prior to the maturity date at an exchange rate of 97.29756 shares per USD 1,000 note, which implies a conversion price of USD 10.28 per share, subject to adjustment upon the occurrence of certain events. Transocean Inc. may require us to repurchase all or a portion of the 0.5% note upon the occurrence of certain events.

Distributions—In the years ended December 31, 2022 and 2021, Transocean Inc. made a distribution of USD 18 million and USD 29 million, respectively, equivalent to approximately CHF 17 million and CHF 27 million, respectively, in satisfaction of amounts due under the 0.5% note. At December 31, 2022 and 2021, the outstanding principal amount of the 0.5% note was USD 49 million and USD 140 million, respectively, equivalent to approximately CHF 45 million and CHF 128 million, respectively.

Warrants—On September 30, 2022, we entered into a warrant agreement with Transocean Inc., under which we issued to Transocean Inc. 22.2 million warrants to purchase our shares. The warrants are expected to be used in connection with Transocean Inc.’s obligation to deliver our shares as a result of the exercise of 22.2 million warrants, issued by Transocean Inc. to purchase our shares. Transocean Inc. may exercise, in whole or in part, its right to acquire the warrant shares issuable upon exercise of such warrants by delivering to us an amount equal to the aggregate exercise price for the net share amount.

General and administrative services—Our subsidiaries perform on our behalf certain general and administrative services, including executive administration, procurement and payables, treasury and cash management, personnel and payroll, accounting and other administrative functions. During the year ended December 31, 2022, we terminated the agreement with subsidiaries for general and administrative services. In the years ended December 31, 2021, we recognized such costs of less than CHF 1 million, recorded in general and administrative costs and expenses.

We perform administrative services for our Swiss subsidiaries, for which we earn income based on the cost of such services, together with a markup of 7 percent.

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BOARD OF DIRECTORS

Chadwick C. Deaton
Chair, Transocean Ltd.

Glyn A. Barker
Former Vice Chair, U.K. PwC

Vanessa C.L. Chang
Former Director and Shareholder,
EL & EL Investments

Frederico F. Curado
Former Chief Executive Officer,
Ultrapar S.A.

Vincent J. Intrieri
Founder and Chief Executive Officer,
VDA Capital Management LLC

Samuel J. Merksamer
Former Partner, Softbank
Investment Advisers

Frederik W. Mohn
Former Director and Chair,
Songa Offshore SE
Owner and Managing Director,
Perestroika AS

Edward R. Muller
Former Chair, Chief Executive Officer
and President, GenOn Energy, Inc.
Former Vice Chair, NRG Energy Inc.

Margareth Øvrum
Former Executive Vice President
for Equinor Development and
Production Brazil

Diane de Saint Victor
Former General Counsel and
Company Secretary, ABB Ltd.

Jeremy D. Thigpen
Chief Executive Officer,
Transocean Ltd.

EXECUTIVE MANAGEMENT

Jeremy D. Thigpen
Chief Executive Officer

Keelan Adamson
President and
Chief Operating Officer

Mark L. Mey
Executive Vice President and
Chief Financial Officer

Howard E. Davis
Executive Vice President,
Chief Administrative Officer and
Chief Information Officer

Brady Long
Executive Vice President and
General Counsel

CORPORATE INFORMATION

Registered Address

Transocean Ltd.
Turmstrasse 30
CH-6312
Steinhausen, Switzerland
Phone: +41 (41) 749-0500

Transfer Agent and Registrar

Computershare
www.computershare.com
Online inquiries: www-us.computershare.com/investor/contact

Shareholder inquiries:
Computershare
P.O. Box 505000
Louisville, Kentucky 40233-5000
1-877-397-7229
+1 201-680-6578 (for callers outside the United States)

Overnight correspondence:
Computershare
462 South 4th Street
Suite 1600
Louisville, Kentucky 40202

Proxy Solicitor

Georgeson LLC
1290 Avenue of the Americas, 9th Floor
New York, New York 10104

Independent Registered Public Accounting Firm

Ernst & Young LLP
Houston, Texas
Swiss Auditor
Ernst & Young Ltd.
Zurich, Switzerland

Financial Information

Financial analysts and shareholders should visit the company's website at www.deepwater.com, or call Investor Relations at +1 713-232-7500 for information about Transocean Ltd.

NYSE Annual CEO Certification and Sarbanes-Oxley Section 302 Certifications

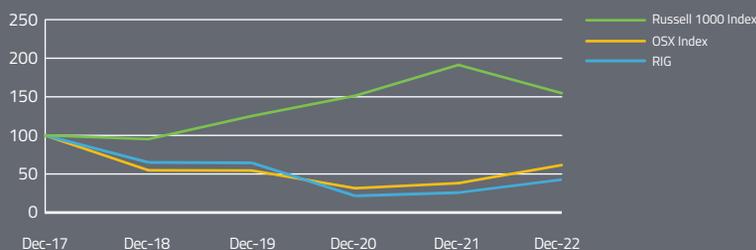
We submitted the annual chief executive officer certification to the NYSE as required under the corporate governance rules. We also filed the chief executive officer certifications required under section 302 of the Sarbanes-Oxley Act of 2002 as an exhibit to our 2022 Annual Report on Form 10-K.

Performance Graph¹

The graph below compares the cumulative total shareholder return of our shares, the Philadelphia Oil Service Sector Index ("OSX"), and the Russell 1000 Index over our last five fiscal years. The graph assumes that \$100 was invested in our shares, the OSX, and the Russell 1000 Index on December 31, 2017, and that all dividends were reinvested on the date of payment.

Indexed Cumulative Total Shareholder Return

December 31, 2017 – December 31, 2022



DATE	DEC-17	DEC-18	DEC-19	DEC-20	DEC-21	DEC-22
Russell 1000 Index	\$100.00	\$95.21	\$125.13	\$151.34	\$191.35	\$154.72
OSX Index	\$100.00	\$54.78	\$54.48	\$31.56	\$38.10	\$61.53
RIG	\$100.00	\$64.98	\$64.42	\$21.63	\$25.84	\$42.70

¹The above Performance Graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

