Oceaneering Approach

Oceaneering achieves results through a management by objectives process. Objectives are developed each year and managers are held accountable for the results. The delivery of HSE performance and continuous improvement is an integral part of this process.

The elements and expectations outlined in this Level 1 HSE Management System apply to Oceaneering operations worldwide. This framework provides a broad base of HSE Expectations which will help managers set the HSE direction and focus their efforts and resources. Due to the complexity and diversity of our operations the system is performance based. In basic terms the expectations state what is needed, each operation can determine how they will meet the expectation. In addition, the magnitude and depth that is needed regarding a particular element will depend upon the nature and scope of the business, the risk profile and the regulatory environment.

The details of how the expectations will be accomplished can be determined by each operation with the support of the HSE Department.

The elements in the HSE Management System are:

1. Leadership and Accountability
2. Risk Assessment
3. Operations
4. Training
5. Design and Construction
6. Management of Change
7. Third Party Services
8. Incident Reporting and Investigation
9. Emergency Preparedness
10. Environmental Management
11. Assessment and Continuous Improvement

Every business within Oceaneering must address these level 1 expectations and develop and implement site specific systems, procedures and processes. Simply stated our level 1 policy and system are the boundaries in which all of Oceaneering must operate. Level 2 processes are provided as resources to further define the HSE tools, hazards, regulatory, client and company requirements. These tools are used as resources to develop level 3, site specific systems, processes and procedures. Each Sr. Vice President, Vice President and General Manager in the operating divisions are accountable for implementing this comprehensive HSE Management System. Accountability for this effort cannot be delegated. The HSE Department is responsible for providing the tools, resources and technical assistance to the operating groups.

In order to effectively measure our progress and effectiveness of our system we have established incident and injury reporting and training requirements. We have developed an online system, which will aid in the collection and analysis of our statistics. These requirements are contained within the elements and expectations.

Oceaneering management believes that no set of standards, rules or procedures can be developed which can address every operational situation that may be encountered, thus no one may assume a safe operation will result by blindly following established guidelines. Our approach focuses on hiring the best and brightest people, providing world-class training, and resources so all employees have the knowledge perform their work in a safe and environmentally sound manner.

Verification

The Corporate HSE Steering Committee, which is comprised of the CEO, Executive Vice President, Sr. Vice Presidents of each Operating Group and the HSE Vice President, meets on a bi-weekly basis. Reviews of each operating group's HSE process and performance are conducted during these meetings. In addition, HSE Assessments are conducted by the HSE and Operations Departments on a periodic basis. These assessments include interviews with a cross section of employees ranging from Sr. Leaders to technicians as well as workplace observations and a review of key processes.
Mission Statement / Vision

Oceaneering’s mission is to increase the net wealth of its Shareholders by providing safe, cost effective and quality based technical solutions satisfying customer needs worldwide.

Health Safety and Environmental Management System

The purpose of this HSE Management System is to provide the framework and tools to manage evolving HSE issues quickly and easily while meeting a high standard of HSE performance and the expectations of both our clients and regulatory authorities. Our goals are simple- we do not want any of our employees, contractor or visitors to get injured, we do not want any damage to equipment and we do not want to harm the environment.

Safety as a Core Value

Oceaneering believes that each manager must give HSE issues the same amount of attention, effort and importance that is placed on production, quality, costs and morale. While priorities shift based upon the needs of the business, core values do not change. This is consistent with our approach that safety is our number on ethic and will not be compromised.
1. Leadership and Accountability

**Intent**
To ensure people at all levels in Oceaneering are accountable and responsible for achieving our HSE objectives. Leaders are held accountable for demonstrating correct HSE behaviors and setting the direction and example for others.

**Expectations**
Management develops and sets annual HSE objectives and develops the methods and plans to achieve the goals.

Management fosters a working environment that supports and encourages open communication about incidents and HSE related issues

Employees at all levels are actively involved in the development and implementation of the HSE systems

Employees are required to know and follow safe work practices and demonstrate safe behaviors

The continuous improvement process is utilized to develop and enhance the HSE effort

**Verification**
Adherence with this element will be verified by determining:

- The Oceaneering operating standards and HSE policy is displayed
- The workforce knows and understands the HSE goals and the process and approach to achieve them.
- Employees at all levels of the organization are actively involved in the HSE process.
- Reviews of each operating group’s HSE processes and performance is conducted by the Corporate HSE Steering Committee.

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**Corporate HSE Steering Committee Structure**

- Business Unit
  - Sr. Vice President
  - VP/GM Ops
  - Senior Mgr
  - Manager
  - HSE Mgr

- Business Unit
  - VP/GM Ops
  - Senior Mgr
  - Manager
  - HSE Mgr

- Business Unit
  - VP/GM Ops
  - Senior Mgr
  - Manager
  - HSE Mgr

- Business Unit
  - VP/GM Ops
  - Senior Mgr
  - Manager
  - HSE Mgr
2. Risk Assessment

Intent
To identify the hazards associated with our operations and implement the appropriate safeguards to reduce the operating risk and the potential for safety, health and environmental incidents and liabilities.

Expectations
A system is in place to identify potential hazards, assess the risk and ensure that controls are implemented for the ongoing management of risk for activities such as:

- Design and construction
- New projects
- Existing operations
- New products

Examples of hazards and appropriate controls or safeguards include confined space procedures, equipment isolation/lockout, job safety analysis, permit to work, working at heights, lifting operations, vehicle safety, personal protective procedures, hazard identification, hazard and operability studies, peer review of critical procedures etc. The type and complexity of the procedure will be based upon the magnitude of the risk.

Risk mitigation techniques are considered in the following order of priority:

- Engineering controls
- Administrative controls
- Personal protective equipment

Verification
Evidence of risk assessment of the operation to identify the hazards and needed controls.

- Evidence of hazard analysis, hazard identification or hazops for new projects
- Evidence of job safety environmental analysis procedures and the associated risk assessment
3. Operations

Intent
To ensure equipment and facilities are operated within established parameters in a safe and environmentally sound manner.

Expectations
- A system is in place that provides procedures necessary for operations, maintenance and equipment integrity.
- Procedures such as permit to work and lockout/tagout are developed based upon the nature of the hazard and the particular operation.
- A system is in place to ensure critical systems, such as shutdowns, relief controls, alarms, are tested and undergo preventive maintenance.
- A system is in place to ensure that the appropriate drawing and documentation is available and up to date.
- A system is in place to review regulatory requirements, which are applicable to the operation.
- Key operating parameters are established and regularly monitored. The workforce understand how to operate within these parameters.
- Safety Meetings and Toolbox talks are conducted and documented on a regular basis.

Verification
Adherence with this element will be verified by determining that:
- Operating parameters and associate procedures have been developed
- The workforce operates in accordance with the above mentioned procedures
- A preventive maintenance program is in place
- Applicable and up to date procedures and associated documentation is available to the workforce.
4. Training

Intent
Since the attitude and behavior of our people is critical to Oceaneering’s success, we must ensure that effective systems are in place to select, assess, train and develop our employees.

Expectations
HSE ability and performance shall be considered in the employee selection process. An employee training system is in place to ensure competence with the required job skills, such as, operational, maintenance, safety and environmental requirements.

The system shall include:

- Compliance with client and regulatory requirements
- The DuPont Safety Training Observation Program
- New employees, transferred employees, contractors and visitors as appropriate based upon their exposure to the workplace.
- Supervisory training as appropriate based upon the nature and hazards of the assignment, as a minimum this shall include how to conduct safety meetings, incident investigation and STOP for supervision.
- A process which ensures that learning has taken place

Verification
Adherence with this element will be verified by determining that:

- The use of the on-line Learning Management System for establishing training objectives, learning plans, conducting and recording the training and measuring training as part of the MBO process.

- Workers have the knowledge and skills to safety and efficiently perform their job duties
- Training requirements and objectives have been identified based upon a person’s work assignment and exposure to hazards
- Client and regulatory requirements have been incorporated into the training program
- Training reports from the Learning Management System

Since the attitude and behavior of our people is critical to Oceaneering’s success, we must ensure that effective systems are in place to select, assess, train and develop our employees.
5. Design and Construction

Intent
To ensure new or modified equipment or facilities are designed and constructed according to accepted standards, specifications and procedures.

Verification
Adherence with this element will be verified by determining that:

- Hazard assessments have been performed, the hazards have been identified and recommendations have been implemented
- Safety and environmental factors have been addressed in the design stages
- Equipment and facilities have been constructed in the accordance with applicable standards

Expectations
- A system is in place to manage design and construction activities in accordance with regulatory, legal, operating, company and client requirements.
- Hazards assessment and risk analysis will be performed at specified stages, using recognized risk assessment tools, such as Hazard and operability studies, what if analysis.
- Hazards are addressed in the design stages.
- Deviations from design criteria must be reviewed and approved.
- Environmental factors such as waste minimization and pollution prevention are addressed in the design stages.
- Quality control and inspection processes will ensure that facilities and equipment are constructed in accordance with design criteria.
6. Management of Change

**Intent**
To ensure that changes associated with the equipment, operation, procedures, materials or design that may affect the safety of personnel, equipment or the environment are evaluated and managed to ensure that risks remain at an acceptable level.

**Expectations:**
A system must be in place, which describes how a change is identified, analyzed, approved and implemented. This must include:

- A definition of a temporary and permanent change
- A method to approve the changes
- A specified time limitation for temporary changes
- Communicating the changes to the effected personnel

Changes to regulatory requirements, codes or industry practices must be tracked and a review to determine if any of the business processes, such as procedures, equipment, training need to be modified.

**Verification**
Adherence with this element will be verified by determining that:

- Changes have been reviewed and analyzed before they are implemented
- Changes have been communicated to the effected personnel

7. Third Party Services

**Intent**
To ensure HSE standards and practices of contractors satisfy Oceaneering’s requirements.

**Expectations**
- A system is in place for the evaluation, selection and assessment of critical material vendors and contractors that can are exposed to work place hazards
- Roles and responsibilities are understood and agreed upon by the third party
- Hazards and risks associated with third party activities will be identified, communicated and managed
- Ensure the third party workers have sufficient knowledge and resources to perform their task in a safe and environmentally sound manner.

**Verification**
Adherence with this element will be verified by determining that:

- The HSE program of third party companies who workers are exposed to work place hazards has been properly assessed
- The workers have been trained and are performing their jobs in a safe and environmentally sound manner.
- The Total Recordable Incidence Rate of the 3rd party is within an acceptable range.
8. Incident Reporting & Investigation

**Intent**
To ensure that effective reporting, investigation, follow up and analysis of incidents and near hits are an essential part of the operations.

**Expectations:**
- A system is in place for the timely reporting, investigation, analysis and follow up of incidents and near hits. All incidents must be reported to management as soon as practical and reports must be completed within 24 hours. All personnel must be made aware of their responsibility to report all incidents and near hits.
- Investigations must identify the root causes of the problem.
- Recommendations to prevent the recurrence of the incident must be monitored and tracked until implementation.
- Major incidents, such as day away injuries, must be investigated using a root cause analysis methodology such as TapRoot.
- Lessons learned from incidents and near hits must be communicated across the organization.
- The HSE Department shall conducted an analysis of injuries and near hits and provide written feedback to the appropriate operating groups.
- All incidents, near hits and injuries must be recorded into the safety portion of the on-line HSE recordkeeping system.
- All injuries shall be recorded according to the definitions of the OSHA injury-recording standard and reported as part of the MBO process.
- A case management procedure is in place, which meets the requirements of the applicable insurance coverage for the operation.

**Verification**
Adherence with this element will be verified by determining that:
- Employees are aware of the requirement to report injuries
- All reported incidents are investigated within 24 hours.
- The root causes have been identified
- The results of investigations are communicated to the appropriate employees
- Trend analysis reports are developed and issued on a periodic basis.
- HSE MBO’s are reported as required.
9. Emergency Preparedness

**Intent**
Ensure emergency plans are in place to address incidents that have the potential to occur in our operations.

**Expectations**
- Identify the potential emergencies that may occur, based upon the location and nature of the operation
- Emergency response plans are documented, accessible and clearly communicated
- Roles and responsibilities are clearly defined
- Equipment, facilities and trained personnel are identified and available
- A system is in place for the inspection and testing of critical emergency equipment
- Evacuation plans are part of the process
- Community concerns are identified and addressed
- Drills and exercises are conducted to assess emergency response capabilities
- Lessons learned are communicated to the appropriate people
- Plans are in place to provide adequate treatment for injured employees

**Verification**
- Adherence with this element will be verified by determining that:
  - The emergency plan was developed based upon an assessment of the potential hazards
  - Emergency equipment is available and in working order
  - Drills are conducted on a regular basis
  - Employees know what to do in the event of an emergency
10. Environmental Management

**Intent**
Ensure the environmental impacts of our operations have been properly identified; assessed and appropriate processes are implemented to reduce environmental incidents and liabilities.

**Expectations**
- Conduct an environmental assessment to identify the potential environmental impacts that may occur, based upon the location and nature of the operation.
- The assessment will include; activities the generate discharges to the air, land or water, activities that require permits, activities that generate discharges.
- Ensure potential impacts to the air, land and water have been identified.
- Ensure potential impacts to Oceaneering operations and surrounding community have been identified.
- Identify applicable national and local regulatory requirements.
- Identify client environmental requirements.
- Develop process and systems to address environmental impacts and above mentioned requirements.
- Equipment, facilities and trained personnel are identified and available
- A system is in place for the identification, handling and disposal of hazardous and non hazardous waste.
- A system is in place to prevent and response to spills.
- The need for training has been identified and implemented as needed.

**Verification**
Adherence with this element will be verified by determining that:
- An environmental assessment was performed by a qualified professional.
- Processes include regulatory and client requirements.
- Environmental measures are maintained and communicated.
- Chemicals and wastes are properly stored, handled and processed.
11. Assessment and Continuous Improvement

**Intent**
To ensure the elements of this management system are assessed on a regular basis to determine the overall effectiveness of the system.

**Verification**
- Evidence that an annual review is conducted.
- Evidence that agreed upon findings have been implemented and tracked until closure.
- HSE Assessments are conducted and corrective actions are implemented.
- Reviews with corporate HSE Steering Committee.

**Expectations**
- A system is in place to periodically conduct self-audits.
- HSE performance indicators are communicated throughout the organization.
- The findings are communicated, corrected in a timely manner and tracked until closure.
**HSE Overviews**

**Intent**
Identify and rank the level of maturity regarding the design and implementation of the following systems; High Hazard Tasks, Incident Management, TapRooT, Stop for Supervisors, JSEA, Training, Management Leadership Team.

**Process**
- Each operating regions progress is reviewed and ranked versus the following phases; infancy, functioning, effective, best practice. The leadership of each process is ranked to determine if the system is HSE or Operations lead.
- Input is received from the operating groups and is assessed by Sr HSE personnel.
- The ranking are both objective and subjective.
- The overviews are conducted twice per year.
- The rankings are reviewed and approved by the Corporate HSE Steering Committee.

**Verification**
Input is received from the various regions.

**HSE Assessment**

**Intent**
Provide an independent assessment of how HSE is managed within each operating group. The assessment includes but is not limited to the following systems; High Hazard Tasks, Incident Management, TapRooT, Stop for Supervisors, JSEA, Training, Management Leadership Team.

**Process**
- The assessment team is comprised of Sr HSE and operations personnel that are from outside the business that is being reviewed.
- Interviews are conducted with a cross section of personnel ranking from the Vice President/Plant Mgr to the technicians.
- Plant tours and an overview of the process are conducted.
- Findings are reviewed and presented at the conclusion of the assessment

**Verification**
- A summary of key findings and follow up items are reviewed at the Corporate HSE Steering Committee
- Improvement plans are in place which are based upon the rankings and operational risks.
World Class Safety Survey

**Intent**
Obtain a cross section of input from the entire workforce ranging from the Vice President/General Manager to the technicians regarding the level the employees believe/perceive management emphases and manages safety.

**Process**
- Anonymous surveys are conducted on a periodic basis using the research and questionnaire that was developed by Dr. J.M. Stewart, Managing for World Class Safety.
- Survey results are shared with employees.
- Areas that are working will and those needing improvement are identified.
- Feedback is given to employees regarding the results, improvements and progress.

**Verification**
- Results are communicated to the Corporate HSE Steering Committee
- Areas of strengths are identified and communicated
- Improvement plans are in place which are based upon the survey
Statement of Philosophy and Beliefs

At Oceaneering International we have developed this statement of basic philosophies and beliefs which will form the framework and foundation of all our actions.

Safety, Health and Environment

The safety, health and well being of our employees, contractors, Customers and the public are, collectively, our number One Ethic. We will never knowingly endanger people or pollute the environment. We will foster an atmosphere that focuses on the prevention of accidents and protection of the environment. Safety will never be compromised.

Ethics

High ethical standards, combined with fairness and goodwill in both internal and external relationships, are essential to maximum success. The Company will adhere to the highest ethical standards in all our dealings and be recognized as upstanding citizens in the communities in which we live and work.

Personnel

The success of the Company is determined by the quality and dedication of its people. Therefore, it is critical for us to create an atmosphere which contributes to the attraction and retention of the highest quality personnel. It is the task of management to maintain an atmosphere which will permit, as well as motivate, personnel to make their maximum contribution to the Company.

• The Company will pay its employees competitive and equitable wages and will maintain reasonable, competitive working conditions, hours and benefits;
• Operating practices which occasionally or unconsciously exploit employees in an attempt to attain short-term objectives will not be encouraged;
• The Company will recognize personal and family needs and treat its employees with compassion and empathy in order to maintain the dignity of the individual;
• The Company does not believe in a paternalistic attitude toward its employees. It is our belief that human growth is an endless process of individualization, and managers must challenge everyone to utilize his/her individuality for personal growth and Company success.

Quality

Customer satisfaction is key to our success. We are committed to providing high value, quality services and products to satisfy our Customers’ needs. We will adhere to the Company’s Operating and Maintenance Standards to control the quality of our services and interactions with Customers. We will ensure that our services meet or exceed market and regulatory requirements at all times.

Communication

Open, honest, constructive communication is critical in establishing an informed and participative work force. A participative work environment will foster teamwork, mutual trust, innovation and progress toward the achievement of common goals.

Competitiveness and Growth

To be successful, a business enterprise must be made up of people who build and create. Growth is therefore necessary for a company to be healthy, successful and prosperous. Oceaneering will pursue a healthy rate of growth whenever business conditions warrant.

Business should be kept in adjustment with the forces at work in the global world. The Company will evaluate and respond to opportunities in our markets and make appropriate changes in our business faster and better than our competitors. Our business will be administered with a sense of competitive urgency and operated in a manner which will generate sufficient profits to sustain our long-term growth. As we adjust to the external environment, change is not to be feared. Change presents valuable opportunities and should be planned for rather than left to chance.

Objectivity

Decisions will be based on objectively considered facts. Oceaneering’s people will make decisions using a process that emphasizes facts in consonance with knowledge and experience, always exercising caution to avoid confusion opinion with fact. Good decisions are based on good judgment.

Manage by Objectives with Continuous Improvement of Customer Satisfaction

To motivate the individual to the fullest, a system of Management by Objectives and appraisal of results will be utilized. We will require all managers to be proficient in setting specific and measurable goals, in planning for timely achievement of these goals, in planning for timely achievement of these goals, in appraising results, in building an organization and in training people that can plan for and achieve desired results. Accountability for results rests with the manager – it cannot be delegated. Every employee is committed to continuously improving each business process through a method of measurement which eliminates waste and contributes to Customer satisfaction.

Measure Results

People will be evaluated and rewarded on the basis of their performance according to a plan and not on their personality, intelligence, race, color, creed or sex. Therefore, we must ask ourselves – what has he/she done? What contribution has he/she made? And not – whether we like the person. Appraisals shall be objective, not subjective.

President and Chief Executive Officer
Oceaneering’s Number One Ethic is the safety, health and well being of its employees, contractors, customers and the public. No job is so urgent that it cannot be done in a safe and environmentally responsible manner. Oceaneering will foster an atmosphere that focuses on prevention of incidents and protection of the environment. Safety will never be compromised.

Oceaneering International, Inc. is committed to:

• Pursuing the goals of no harm to people and no damage to the environment or equipment;
• Promoting a culture whereby all employees, customers, vendors and subcontractors share in this commitment;
• Playing a leading role in promoting best practices in our industries;
• Setting targets for improvement while measuring, appraising and reporting HSE performance;
• Observing all applicable HSE laws and regulations;
• Promoting cost effective waste reduction and recycling.

Essential principles and elements of Oceaneering’s HSE process are:

• All injuries and environmental incidents are preventable;
• Line Management is directly accountable for preventing injuries and environmental incidents;
• People are the most critical element in a successful HSE program;
• HSE will be managed in the same manner as all other critical business activities;
• HSE management system will focus on continuous improvement;
• All employees have a duty and responsibility to stop any work if they have safety concerns or if they believe additional controls are needed to minimize HSE risks;
• Recognition that safety and environmental protection are essential and required, and all employees, customers, vendors and subcontractors must be aware they are responsible for the safety of themselves and others.

Oceaneering management will continuously promote and reinforce its commitment to safety by being an exemplary role model and by assuring safety expectations and policies are published, communicated and well known.

President and Chief Executive Officer

[Signature]

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HSE Management System - 17
Operating Standards

Safety
Oceaneering's Number One Ethic is the safety, health and well being of its employees, contractors, customers and the public. Safety will never be compromised.

Customer Communications & Expectations
Before and during each significant operation, consult with the customer to:

• establish mutual expectations through appropriate communications in an atmosphere of cooperation;
• develop a thorough understanding of the upcoming program and the duties and obligations of everyone involved;
• reach agreement as to the customer’s expectations concerning Oceaneering’s contribution; and
• devise plans that define and use, to best advantage, all available resources to complete the job safely, efficiently and in accordance with mutual expectations.

Leadership And Teamwork
Operations are a team effort with direction and ultimate onsite accountability for results vested in the nominated Oceaneering employee. When deemed necessary, the nominated employee may require individual participation that goes beyond pre-assigned responsibilities.

Pride, Morale, Discipline
Personnel will receive sufficient training and supervision to:

• understand what is expected of them and become proficient in their jobs;
• understand the relationship between individual performance and operating objectives;
• understand the purpose and operation of all assigned equipment;
• act as a team in performing the tasks necessary for efficient operations with skill and safety; and
• maintain, through personal appearance and conduct, a positive impression of morale, discipline and pride.

Measure Performance
Performance will be measured. Successful performance results in a job which is completed to mutual expectations in the most effective sequence without interruptions or surprises and in accordance with Company operating procedures and policies.

Review Results
Upon completion of a significant undertaking, Oceaneering supervisory personnel will review the results with the Customer to determine whether or not expectations were met. Any variances in performance will be reviewed and appropriate action taken.

Equipment
Equipment will be properly operated and maintained in accordance with Oceaneering’s published Maintenance Standards.

Administration
Clerical administration will be current and completed to Oceaneering’s requirements.

President and Chief Executive Officer
MAINTENANCE STANDARDS

Critical Equipment
Critical operations and safety equipment will be identified and maintained according to manufacturer’s specifications.

Operating Knowledge
All operating personnel will understand equipment operation with regard to safety, reliability and preventative maintenance.

Compliance
All equipment will be maintained according to the requirements and regulations of all applicable regulatory bodies and classification societies and must be in compliance when in operational use.

Performance
Oceaneering owned or leased equipment will be maintained so that the performance levels will meet or exceed the operational requirements of the job.

Preventative Maintenance
Maintenance personnel will fully understand their responsibilities and carry out preventative maintenance on a scheduled and documented basis. Equipment will be routinely serviced in accordance with manufacturer’s approved schedules and instructions.

Repair Standards
Facilities or equipment required improvements will be evaluated and upgraded in accordance with the appropriate standards outlined above in the Compliance Section. Repaired equipment will be thoroughly tested to manufacturer’s specifications prior to use.

Protection Standards
Areas of corrosion are to be immediately inhibited and a protective coating applied, then repaired to specification at the earliest opportunity. All operational equipment will be maintained with adequate corrosion protection and present a professional appearance.

Administration
Current and accurate maintenance records and reports will be maintained, providing a basis for continuous improvement through interpretation of patterns and trends over time.

President and Chief Executive Officer

[Signature]

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