



IADC[™]

IADC Supply Chain Committee
Inventory Subcommittee

Surplus Inventory Information Sharing

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Inventory Subcommittee : Inventory Information Sharing

INVENTORY SUBCOMMITTEE CHARTER

Subcommittee Mission Statement

Facilitate inventory buying/selling amongst drillers to promote inventory level optimization

To achieve this mission, the Inventory Subcommittee has established a mechanism for drillers to frequently update and exchange excess inventory information. No pricing or commercial information will be shared and the anti-trust guidelines will be adhered to at all times. This information is intended to facilitate surplus inventory buying/selling amongst drillers. During subcommittee meetings, success stories will be shared and challenges will be discussed.

Chairman - Andy Rennie (Transocean)

Vice Chairman - Sunil Maitra (Ensco)

September 2018

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LISTING EXCESS INVENTORY ON SUBCOMMITTEE SITE

IADC Members can post a list of their surplus inventory by following these instructions:

- Provide a list of excess inventory (without any pricing information) in the agreed IADC subcommittee excel sheet format as shown in Appendix A
- Send the list to the IADC webmaster at the following email address:
webmaster@iadc.org
- The IADC webmaster will add each new listing received to the consolidated list. If the listing is an update, the webmaster will first delete all the old items listed by the company prior to loading the new listing.

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SEARCHING & FILTERING DATA

IADC members can view & download the consolidated list by using the following instructions:

- Inventory listing can be downloaded by accessing the following link:
<http://www.iadc.org/supply-chain-committee/available-inventory-lists/>
- A password, available from the Chairman or Vice Chairman is required to download the listing.
- This password can be shared with other IADC members. Please check with the Subcommittee Chairman if you are not sure who you can share it with
- Once the website is accessed, the consolidated excel file can be downloaded and saved on the member's computer to assist with searching and filtering
- Some tips to assist with filtering are:
 - Excel filters can be set to allow quick filtering on the data in each column
 - The Manufacturer, Manufacturer Part numbers and descriptions may not be consistent between different members' data and it is recommended to search multiple data points

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CONTACTING COMPANY THAT POSTED ITEMS

IADC members can obtain further information and initiate commercial discussions by following these steps:

- Contact details for each company are provided on the website.

How to Order Inventory		
Pacific Drilling Inventory	Transocean Inventory	Vantage Drilling Inventory
<i>Please contact Pacific Drilling directly by using the contact information below.</i>	<i>Please contact Transocean directly by using the contact information below.</i>	<i>Please contact Vantage Drilling directly by using the contact information below.</i>
Company Name: Pacific Drilling Company Contact: Matt Morgan Email: inventory@pacificdrilling.com	Company Name: Transocean Company Contact: Andy Rennie Phone: 713-213-0271 Email: andy.rennie@deepwater.com	Company Name: Vantage Drilling Company Contact: Nicholas Hoffman Phone: +1-832-714-0248 Email: nicholas.hoffman@vantagedrilling.com

- This designated company contact is the correct person to contact to discuss items listed by the member company
- Discussions between members in relation to items on the inventory listing are outside of the control and remit of the IADC subcommittee. Subcommittee meetings will not cover pricing or any commercial information and the anti-trust guidelines will be adhered to at all times.

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RECOMMENDED SALES AGREEMENT

The following are general guidelines to progress a sales transaction:

- Each company should follow their internal guidelines and seek legal and tax advice on sales transactions
- On request, the IADC Subcommittee can provide draft sales agreement guidance for participating members
- It is recommended for interested members to sign two agreements with each member they may be interested in conducting sales transactions with; one agreement as the seller and the other as the buyer
- It is recommended that sales agreements allow the use of affiliates so that members can select their correct business entity to sell or buy items
- Some member's transaction processes will be required to setup members as vendors and require purchase orders to be issued. This will usually require completion of a vendor questionnaire in addition to any sales agreements. It is recommended that POs include wording that reference any sales agreement that is in place.

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LESSONS LEARNED & INFORMATION

The following points have been raised during implementation of this process:

- Some items that are posted may not still be available
- In general, participating members have agreed to return items found to be incomplete, incorrect or defective upon receipt with any sales agreement being cancelled
- Some members have arranged inspections prior to concluding the sales agreement

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APPENDIX A : Inventory Listing Format

Excel sheet to be used with the following 10 data points:

1. Item No: Each company can use this column to help identify the equipment they have posted.
2. QTY: Number count of the quantity with the default of "each." If other quantity is used, such as feet or meters, the unit should be listed
3. Description: Free text description to explain what the item is
4. Catalog ID: Company's inventory system tracking number
5. Mfg: Manufacturer name of the inventory item
6. Mfg P/N: Manufacturer part number
7. Location: Current physical country location of the equipment
8. Onshore / Offshore: Please indicate where the part is currently stored
9. New/Used: Is the inventory item new or used
10. Company: Name of company offering the item

Available Inventory Listing

CONFIDENTIAL - Information only for recipient's use

Item No	Qty	Description	Catalog ID	Mfg	Mfg P/N	Location	Onshore/Offsho	New/Use	Company

