

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **December 23, 2013**

TRANSOCEAN LTD.

(Exact name of registrant as specified in its charter)

Switzerland

(State or other jurisdiction of
incorporation or organization)

000-53533

(Commission
File Number)

98-0599916

(I.R.S. Employer
Identification No.)

**10 Chemin de Blandonnet
1214 Vernier, Geneva
Switzerland**

(Address of principal executive offices)

CH-1214

(zip code)

Registrant's telephone number, including area code: **+41 (22) 930-9000**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c) On December 20, 2013, Steven L. Newman entered into an employment agreement with Transocean Ltd. (the "Company"), pursuant to which Mr. Newman will continue to be employed as the Company's President and Chief Executive Officer. Under the agreement, Mr. Newman will receive a monthly salary of \$100,000 and his annual cash bonus target under the Company's Performance Award and Cash Bonus Plan (the "AIP") will be 125% of his base salary. Mr. Newman also will be eligible for awards under the Company's Long-Term Incentive Program (the "LTIP") and his annual long-term incentive award target will be 600% of his base salary. The compensation committee of the board of directors (the "Committee"), in its sole discretion, may also grant Mr. Newman a supplemental LTIP award in consideration of his performance of services as a resident of Switzerland. In addition, Mr. Newman will receive normal expatriate allowance benefits related to his assignment to the Company's offices in Geneva.

On December 20, 2013, John Stobart entered into an employment agreement with the Company, pursuant to which Mr. Stobart will continue to be employed as the Company's Executive Vice President & Chief Operating Officer. Under the agreement, Mr. Stobart will receive a monthly salary of \$52,917 and his annual cash bonus target under the AIP will be 100% of his base salary. Mr. Stobart also will be eligible for awards under the LTIP and his annual long-term incentive award target will be 350% of his base salary. The Committee, in its sole discretion, may also grant Mr. Stobart a supplemental LTIP award in consideration of his performance of services as a resident of Switzerland. In addition, Mr. Stobart will receive normal expatriate allowance benefits related to his assignment to the Company's offices in Geneva.

On December 19, 2013, Esa Ikäheimonen entered into an employment agreement with the Company, pursuant to which Mr. Ikäheimonen will continue to be employed as the Company's Chief Financial Officer. Under the agreement, Mr. Ikäheimonen will receive a monthly salary of CHF 57,062 and his annual cash bonus target under the AIP will be 80% of his base salary. Mr. Ikäheimonen also will be eligible for awards under the LTIP and his annual long-term incentive award target will be 350% of his base salary. The Committee, in its sole discretion, may also grant Mr. Ikäheimonen a supplemental LTIP award in consideration of his performance of services as a resident of Switzerland. In addition, Mr. Ikäheimonen will receive normal expatriate allowance benefits related to his assignment to the Company's offices in Geneva.

The Company has agreed in each of the employment agreements to propose alternative terms during the fourth quarter of 2015 to achieve compliance with the Minder Legislation by January 1, 2016, and the parties have agreed to cooperate to reach acceptable terms in compliance with such legislation. Each of the employment agreements also contains a confidentiality provision.

The foregoing description of the employment agreements for Messrs. Newman, Stobart and Ikäheimonen is not complete and is qualified by reference to the complete documents, which are attached hereto as Exhibit 10.1, 10.2 and 10.3, respectively, and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
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- | | |
|------|---------------------------------|
| 10.1 | Agreement with Steven L. Newman |
| 10.2 | Agreement with John Stobart |
| 10.3 | Agreement with Esa Ikäheimonen |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRANSOCEAN LTD.

Date: December 23, 2013

By: /s/ Jill S. Greene

Jill S. Greene
Authorized Person

Index to Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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10.1	Agreement with Steven L. Newman
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10.2	Agreement with John Stobart
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10.3	Agreement with Esa Ikäheimonen
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December 13, 2013

Dear Mr. Newman,

This employment agreement between you and Transocean Offshore Deepwater Drilling Inc. (“TODDI”) memorializes prior arrangements and the terms and conditions of your existing employment arrangements with Transocean (dated December 19, 2008, January 1, 2009 and September 1, 2010, respectively), as amended herein (the “Revised Agreement”). All references in this Revised Agreement to “Transocean” or “Company” shall mean Transocean Ltd. and its affiliates.

1. **Effectiveness:** The effectiveness of this Revised Agreement is subject to the approval of the terms of this Revised Agreement by the Executive Compensation Committee (the “Committee”) of the Board of Directors of Transocean Ltd. (the “Board of Directors”).
2. **Title:** President and Chief Executive Officer of Transocean Ltd.
3. **Reporting:** You report to the Board of Directors.
4. **Remuneration and other Benefits:** The compensation and benefits described in this Revised Agreement are subject to the terms and conditions of the underlying policies and/or plan documents governing such compensation or benefits. In the event of any discrepancy, the underlying policies or plan documents prevail.
 - a) **Base Salary:** Your annual gross base salary (“Base Salary”) continues to be \$1,200,000, and is paid in twelve equal monthly installments in accordance with Clause 5 of this Revised Agreement. Your Base Salary will be reviewed each year by the Committee and any changes will be communicated to you in writing.
 - b) **Performance Award and Cash Bonus Plan of Transocean Ltd.:** In addition to your Base Salary, you continue to be eligible to participate in the Performance Award and Cash Bonus Plan or any successor plan (the “AIP”) in accordance with its applicable terms and to the extent determined by the Committee in its sole discretion. Your current annual bonus target continues to be 125% of your Base Salary. Your annual bonus target is not a promise to pay fixed compensation. Rather, you will have an opportunity to earn a percentage of your

annual bonus target based on Transocean's performance, as determined by the Committee in its sole discretion. This means that your actual bonus may range from 0%-200% of your annual bonus target as determined by the Committee in its sole discretion. The annual bonus will be paid in accordance with the terms of the AIP. Your actual annual bonus target and the terms of the AIP may change over time as determined by the Committee, in its sole discretion, and any changes will be communicated to you in writing. For the avoidance of doubt, the Committee retains absolute discretion in determining your bonus and may rely on factors relating specifically to your performance which may result in a bonus calculated differently than for other AIP participants.

- c) **Long-Term Incentive Plan of Transocean Ltd. (LTIP):** You continue to be eligible to participate in the LTIP in accordance with its applicable terms and to the extent determined by the Committee, in its sole discretion.

It is anticipated that beginning in 2014 your total LTIP awards, including any Annual LTIP Awards and any Supplemental LTIP Awards, will consist of an equal mix of both performance-based restricted stock units ("Contingent Based Deferred Units" or "CDUs") and time-vested restricted stock units ("Deferred Units" or "DUs"). The award of any CDUs or DUs will be subject to the terms and conditions of the LTIP and the applicable award letter.

Annual LTIP Award: Your current long-term incentive (LTI) target award continues to be 600% of your Base Salary with any target equity award calculation (along with vesting schedule and performance criteria) to be made by the Committee in its sole discretion.

Supplemental LTIP Award: In addition to your Annual LTIP Award beginning in 2014, the Committee, in its sole discretion, may grant a supplemental LTI award in consideration of your performance of services hereunder as a resident of Switzerland.

As with other provisions in this Revised Agreement, the actual annual and/or supplemental LTI target and/or the way in which LTI awards are valued and delivered (i.e., CDUs, DUs, options, stock appreciation rights, etc.) may change over time as determined by the Committee, in its sole discretion, and any changes will be communicated to you in writing.

- d) **Certificate of Coverage:** You continue to be eligible to participate in the benefit programs provided for U.S. National Expatriate employees

through the date your certificate of coverage for U.S. social security taxes (“Certificate of Coverage”) expires. The Company undertakes to use commercially reasonable efforts to secure an extension of your certificate of coverage beyond its current expiration on or around January 31, 2015. After your Certificate of Coverage expires on or around January 31, 2015 or such later date as a result of any extension, Swiss law will require you to participate in the Company sponsored Transocean Management Ltd. Pension Plan.

- e) **Tax and Financial Planning:** You continue to be entitled to a tax and financial planning benefit of \$5,000 annually in accordance with Transocean’s policy.

5. **Pay Schedule:** Except where otherwise noted, you will be paid on the Company’s monthly U.S. Dollar payroll on the last banking day concurrent with or prior to the last day of each month.

6. **Expatriate Allowances:** You continue to be eligible for expatriate allowances or reimbursements provided to Switzerland-based expatriates for the period of your employment in Switzerland. The allowances or reimbursements, which are provided under the Company’s global mobility benefits policies and are subject to change, consist of the following:

Housing & Utility Allowance: A housing and utility allowance of CHF 14,000 per month provided via monthly local payroll as described in Transocean’s Relocation Policy.

Cost-of-Living Allowance: A cost of living allowance of 15% of Base Salary will be provided, payable in Swiss Francs via monthly local payroll. The cost-of-living allowance is capped at a maximum of CHF 7,560 per month.

Transportation Allowance: A transportation allowance of CHF 1,000 per month paid via monthly local payroll as described in Transocean’s Relocation Policy.

Vacation Travel Allowance: A vacation travel allowance as provided in Transocean’s Travel Allowance and Vacation Days Policy.

Educational Expense Reimbursement: Reimbursement for certain educational expenses on behalf of your dependent children as provided in Transocean’s Relocation Policy.

7. **Tax Preparation and Payment:** You are responsible for payment of any taxes and the preparation and filing of any tax returns required pursuant to your employment with Transocean. You will be required to annually submit certain information to Transocean’s current tax advisors.

- 8. Tax Treatment:** Transocean makes no representations as to the tax treatment, favorable or otherwise, of compensation or benefits provided to you pursuant to your employment with Transocean. The Company undertakes to use commercially reasonable efforts to structure and deliver the compensation and benefits outlined in this Revised Agreement in such a way so as to avoid taxation and penalties under Section 409A of the United States Internal Revenue Code (“Section 409A”). Notwithstanding the foregoing, Transocean shall not be responsible for any adverse tax consequences to which you may be subject, including any taxation or other penalties under Section 409A.
- 9. Tax Equalization:** The Company will no longer offer tax equalization benefits. The Company will honor its commitments for the years 2009 through 2013 by providing a cash settlement to you of CHF 1,584,586 based on a good-faith estimate in December 2013.
- 10. Deductions:** Transocean will deduct from any compensation and benefit pursuant to this Revised Agreement the applicable employee contributions to social security schemes, pension fund as well as applicable taxes and withholding, if any, payable by you in accordance with the applicable laws and regulations.
- 11. Secondment | Place of Work:** TODDI has the right to second you to an affiliate of Transocean Ltd. In accordance with prior arrangements in existence since February 1, 2009, you have been seconded to serve at Transocean Management Ltd., and accordingly, your principal place of work is Geneva or any other place in Switzerland or abroad as designated by Transocean. Your work requires travelling. You therefore shall, as required by your duties hereunder, undertake any foreign travel in and outside Switzerland as may be necessary for the proper performance of your duties.
- 12. Working Time:** You are employed on a full-time basis. You shall dedicate full time, attention and energy to the business of Transocean. Any overtime work or additional tasks performed by you are fully compensated by your Base Salary.
- 13. Vacation:** You are eligible for 25 vacation days per year in accordance with Transocean’s Travel Allowance and Vacation Days Policy.
- 14. Visa:** You are required to cooperate with Transocean in order to maintain your current work visa.
- 15. Employment Regulations:** In addition to these terms and conditions, you are subject to Transocean’s policies, procedures and practices, as from time-to-time issued and applicable for Transocean’s employees and which may be modified from time to time by Transocean. You confirm receipt of the following documents and understand their content:

Club Membership Policy
Employee Patent and Secrecy Agreement
Executive Severance Benefit Policy
Long-Term Incentive Plan of Transocean Ltd. (LTIP)
Performance Award and Cash Bonus Plan of Transocean Ltd. (AIP)
Personal Financial Planning Benefit Policy
Relocation Policy
Transocean Code of Integrity
Transocean Executive Stock Ownership Policy
Transocean Insider Trading Policy
Transocean Management Ltd. Pension Plan
Vacation Travel Allowance and Vacation Days Policy

- 16. Termination:** Either party may terminate the present employment relationship as per month end by giving three months written notice.
- 17. Severance Pay:** To the extent permitted by applicable law, including any restrictions under the ordinance or statute implementing article 95 para. 3 and article 197 no. 8 of the Swiss Federal Constitution (the “Minder Legislation”), you continue to be eligible for benefits under the existing Executive Severance Policy, the AIP and the LTIP. If any of the above benefits should not be permissible under applicable law, Clause 21 shall apply.
- 18. Repatriation:** You continue to be entitled to repatriation in accordance with the Relocation Policy.
- 19. Confidentiality:** Except in the proper performance of your duties or with the written consent of Transocean, you shall not during the employment nor at any time thereafter disclose to any person or use for your own purpose or that of others and shall during the employment use your best endeavors to prevent the publication or disclosure of any information of a private, confidential or secret nature concerning the business or affairs of Transocean or of any person having dealings with Transocean and which comes to your knowledge during the course of or in connection with your employment.
- 20. Data Protection:** You agree that Transocean may forward to its affiliated companies in Switzerland and abroad your data for processing purposes.
- 21. Severability:** If any provision of this Revised Agreement shall be determined or held to be invalid, illegal or unenforceable, including if such invalidity, illegality or unenforceability is due to the Minder Legislation, the validity, legality and enforceability of the remaining provisions of this Revised Agreement shall not in any way be affected or impaired thereby. The parties shall negotiate in good faith, to the extent possible, a provision or provisions that are economically similar to the provision or provisions determined or held to be invalid, illegal or

unenforceable, including such invalidity, illegality or unenforceability due to the Minder Legislation, taking into account the intentions of the parties at the date of this Revised Agreement, it being understood that failure of an agreement on such replacement provisions shall not in any way affect the validity, legality and enforceability of the remaining provisions of this Revised Agreement.

The Company will propose alternative terms to this Revised Agreement during the fourth quarter of 2015 to achieve compliance with the Minder Legislation by January 1, 2016, and the parties agree to cooperate to reach acceptable terms in compliance with the Minder Legislation.

- 22. Applicable Law and Jurisdiction:** This Revised Agreement shall be governed by and construed in accordance with the laws of Switzerland, in particular the Swiss Code of Obligations, to the exclusion of any international treaties. The place of jurisdiction for any and all disputes arising out of or in connection with this Revised Agreement shall be as follows: (i) For lawsuits initiated by you, either the relevant court at the place where you usually work, the relevant court at your domicile or your habitual residence or the relevant court at the place to which you were seconded; or (ii) for lawsuits initiated by Transocean, either the relevant court where you are domiciled, the relevant court where you usually work or at the place to which you were seconded .
- 23. Transocean Ltd.:** Transocean Ltd. hereby accepts and agrees to be bound by any obligations arising out of Sections 4(b) and 4(c) of this Revised Agreement and further accepts and agrees to be bound by any of the provisions of this Revised Agreement in which reference is made to “Transocean Ltd.” or “Transocean” or “Company”; and you agree that Transocean Ltd. shall be entitled to enforce any and all rights afforded to Transocean or the Company under this Revised Agreement.

Please confirm your understanding and acceptance of the above terms and conditions by signing and returning to us a copy of this Revised Agreement.

Sincerely,

Transocean Offshore Deepwater Drilling Inc.

Date: December 20, 2013

/s/ Keelan Adamson

Keelan Adamson

Director

/s/ David Tonnel

David Tonnel

Director

Accepted and Agreed:

Date: December 20, 2013

/s/ Steven L. Newman

Steven L. Newman

Accepted and Agreed pursuant to Section 23 of this Revised Agreement:

Transocean Ltd.

Date: December 20, 2013

/s/ Ihab M. Toma

Ihab M. Toma

Executive Vice President, Chief of Staff



December 13, 2013

Dear Mr. Stobart,

This employment agreement between you and Transocean Offshore Deepwater Drilling Inc. (“TODDI”) memorializes prior arrangements and the terms and conditions of your existing employment arrangement with Transocean (dated June 22, 2012), as amended herein (the “Revised Agreement”). All references in this Revised Agreement to “Transocean” or “Company” shall mean Transocean Ltd. and its affiliates.

1. **Effectiveness:** The effectiveness of this Revised Agreement is subject to the approval of the terms of this Revised Agreement by the Executive Compensation Committee (the “Committee”) of the Board of Directors of Transocean Ltd. (the “Board of Directors”).
2. **Title:** Executive Vice President & Chief Operating Officer of Transocean Ltd.
3. **Reporting:** You report to the Chief Executive Officer of Transocean Ltd.
4. **Remuneration and other Benefits:** The compensation and benefits described in this Revised Agreement are subject to the terms and conditions of the underlying policies and/or plan documents governing such compensation or benefits. In the event of any discrepancy, the underlying policies or plan documents prevail.
 - a) **Base Salary:** Your annual gross base salary (“Base Salary”) continues to be \$635,000, and is paid in twelve equal monthly installments in accordance with Clause 5 of this Revised Agreement. Your Base Salary will be reviewed each year by the Committee and any changes will be communicated to you in writing.
 - b) **Performance Award and Cash Bonus Plan of Transocean Ltd.:** In addition to your Base Salary, you continue to be eligible to participate in the Performance Award and Cash Bonus Plan or any successor plan (the “AIP”) in accordance with its applicable terms and to the extent determined by the Committee in its sole discretion. Your current annual bonus target continues to be 100% of your Base Salary. Your annual bonus target is not a promise to pay fixed compensation. Rather, you will have an opportunity to earn a percentage of your

annual bonus target based on Transocean's performance, as determined by the Committee in its sole discretion. This means that your actual bonus may range from 0%-200% of your annual bonus target as determined by the Committee in its sole discretion. The annual bonus will be paid in accordance with the terms of the AIP. Your actual annual bonus target and the terms of the AIP may change over time as determined by the Committee, in its sole discretion, and any changes will be communicated to you in writing. For the avoidance of doubt, the Committee retains absolute discretion in determining your bonus and may rely on factors relating specifically to your performance which may result in a bonus calculated differently than for other AIP participants.

- c) **Long-Term Incentive Plan of Transocean Ltd. (LTIP):** You continue to be eligible to participate in the LTIP in accordance with its applicable terms and to the extent determined by the Committee, in its sole discretion.

It is anticipated that beginning in 2014 your total LTIP awards, including any Annual LTIP Awards and any Supplemental LTIP Awards, will consist of an equal mix of both performance-based restricted stock units ("Contingent Based Deferred Units" or "CDUs") and time-vested restricted stock units ("Deferred Units" or "DUs"). The award of any CDUs or DUs will be subject to the terms and conditions of the LTIP and the applicable award letter.

Annual LTIP Award: Your current long-term incentive (LTI) target award continues to be 350% of your Base Salary with any target equity award calculation (along with vesting schedule and performance criteria) to be made by the Committee in its sole discretion.

Supplemental LTIP Award: In addition to your Annual LTIP Award beginning in 2014, the Committee, in its sole discretion, may grant a supplemental LTI award in consideration of your performance of services hereunder as a resident of Switzerland.

As with other provisions in this Revised Agreement, the actual annual and/or supplemental LTI target and/or the way in which LTI awards are valued and delivered (i.e., CDUs, DUs, options, stock appreciation rights, etc.) may change over time as determined by the Committee, in its sole discretion, and any changes will be communicated to you in writing.

- d) **Certificate of Coverage:** You continue to be eligible to participate in the benefit programs provided for U.S. National Expatriate employees

through the date your certificate of coverage for U.S. social security taxes (“Certificate of Coverage”) expires. After your Certificate of Coverage expires on or around February 2018, Swiss law will require you to participate in the Company sponsored Transocean Management Ltd. Pension Plan.

- e) **Tax and Financial Planning:** You continue to be entitled to a tax and financial planning benefit of \$5,000 annually in accordance with Transocean’s policy.

- 5. **Pay Schedule:** Except where otherwise noted, you will be paid on the Company’s monthly U.S. Dollar payroll on the last banking day concurrent with or prior to the last day of each month.
- 6. **Expatriate Allowances:** You continue to be eligible for expatriate allowances or reimbursements provided to Switzerland-based expatriates for the period of your employment in Switzerland. The allowances or reimbursements, which are provided under the Company’s global mobility benefits policies and are subject to change, consist of the following:

Housing & Utility Allowance: A housing and utility allowance of CHF 14,000 per month provided via monthly local payroll as described in Transocean’s Relocation Policy.

Cost-of-Living Allowance: A cost of living allowance of 15% of Base Salary will be provided, payable in Swiss Francs via monthly local payroll. The cost-of-living allowance is capped at a maximum of CHF 7,560 per month.

Transportation Allowance: A transportation allowance of CHF 1,000 per month paid via monthly local payroll as described in Transocean’s Relocation Policy.

Vacation Travel Allowance: A vacation travel allowance as provided in Transocean’s Travel Allowance and Vacation Days Policy.

Educational Expense Reimbursement: Reimbursement for certain educational expenses on behalf of your dependent children as provided in Transocean’s Relocation Policy.

- 7. **Tax Preparation and Payment:** You are responsible for payment of any taxes and the preparation and filing of any tax returns required pursuant to your employment with Transocean. You will be required to annually submit certain information to Transocean’s current tax advisors.
- 8. **Tax Treatment:** Transocean makes no representations as to the tax treatment, favorable or otherwise, of compensation or benefits provided to you pursuant to your employment with Transocean. The Company undertakes to use

commercially reasonable efforts to structure and deliver the compensation and benefits outlined in this Revised Agreement in such a way so as to avoid taxation and penalties under Section 409A of the United States Internal Revenue Code (“Section 409A”). Notwithstanding the foregoing, Transocean shall not be responsible for any adverse tax consequences to which you may be subject, including any taxation or other penalties under Section 409A.

- 9. Tax Equalization:** The Company will no longer offer tax equalization benefits. The Company will honor its commitments for the year 2013 by providing a cash settlement to you of CHF 153,843 based on a good-faith estimate in December 2013.
- 10. Deductions:** Transocean will deduct from any compensation and benefit pursuant to this Revised Agreement the applicable employee contributions to social security schemes, pension fund as well as applicable taxes and withholding, if any, payable by you in accordance with the applicable laws and regulations.
- 11. Secondment | Place of Work:** TODDI has the right to second you to an affiliate of Transocean Ltd., and has seconded you since February 1, 2013 to serve at Transocean Management Ltd. Accordingly, your principal place of work is Geneva or any other place in Switzerland or abroad as designated by Transocean. Your work requires travelling. You therefore shall, as required by your duties hereunder, undertake any foreign travel in and outside Switzerland as may be necessary for the proper performance of your duties
- 12. Working Time:** You are employed on a full-time basis. You shall dedicate full time, attention and energy to the business of Transocean. Any overtime work or additional tasks performed by you are fully compensated by your Base Salary.
- 13. Vacation:** You are eligible for 30 vacation days per year in accordance with Transocean’s Travel Allowance and Vacation Days Policy.
- 14. Visa:** You are required to cooperate with Transocean in order to maintain your current work visa.
- 15. Employment Regulations:** In addition to these terms and conditions, you are subject to Transocean’s policies, procedures and practices, as from time-to-time issued and applicable for Transocean’s employees and which may be modified from time to time by Transocean. You confirm receipt of the following documents and understand their content:
 - Club Membership Policy
 - Employee Patent and Secrecy Agreement
 - Executive Severance Benefit Policy
 - Long-Term Incentive Plan of Transocean Ltd. (LTIP)

Performance Award and Cash Bonus Plan of Transocean Ltd. (AIP)
Personal Financial Planning Benefit Policy
Relocation Policy
Transocean Code of Integrity
Transocean Executive Stock Ownership Policy
Transocean Insider Trading Policy
Transocean Management Ltd. Pension Plan
Vacation Travel Allowance and Vacation Days Policy

- 16. Termination:** Either party may terminate the present employment relationship as per month end by giving three months written notice.
- 17. Severance Pay:** To the extent permitted by applicable law, including any restrictions under the ordinance or statute implementing article 95 para. 3 and article 197 no. 8 of the Swiss Federal Constitution (the “Minder Legislation”), you continue to be eligible for benefits under the existing Executive Severance Policy, the AIP and the LTIP. If any of the above benefits should not be permissible under applicable law, Clause 21 shall apply.
- 18. Repatriation:** You continue to be entitled to repatriation in accordance with the Relocation Policy.
- 19. Confidentiality:** Except in the proper performance of your duties or with the written consent of Transocean, you shall not during the employment nor at any time thereafter disclose to any person or use for your own purpose or that of others and shall during the employment use your best endeavors to prevent the publication or disclosure of any information of a private, confidential or secret nature concerning the business or affairs of Transocean or of any person having dealings with Transocean and which comes to your knowledge during the course of or in connection with your employment.
- 20. Data Protection:** You agree that Transocean may forward to its affiliated companies in Switzerland and abroad your data for processing purposes.
- 21. Severability:** If any provision of this Revised Agreement shall be determined or held to be invalid, illegal or unenforceable, including if such invalidity, illegality or unenforceability is due to the Minder Legislation, the validity, legality and enforceability of the remaining provisions of this Revised Agreement shall not in any way be affected or impaired thereby. The parties shall negotiate in good faith, to the extent possible, a provision or provisions that are economically similar to the provision or provisions determined or held to be invalid, illegal or unenforceable, including such invalidity, illegality or unenforceability due to the Minder Legislation, taking into account the intentions of the parties at the date of this Revised Agreement, it being understood that failure of an agreement on such

replacement provisions shall not in any way affect the validity, legality and enforceability of the remaining provisions of this Revised Agreement.

The Company will propose alternative terms to this Revised Agreement during the fourth quarter of 2015 to achieve compliance with the Minder Legislation by January 1, 2016, and the parties agree to cooperate to reach acceptable terms in compliance with the Minder Legislation.

- 22. Applicable Law and Jurisdiction:** This Revised Agreement shall be governed by and construed in accordance with the laws of Switzerland, in particular the Swiss Code of Obligations, to the exclusion of any international treaties. The place of jurisdiction for any and all disputes arising out of or in connection with this Revised Agreement shall be as follows: (i) For lawsuits initiated by you, either the relevant court at the place where you usually work, the relevant court at your domicile or your habitual residence or the relevant court at the place to which you were seconded; or (ii) for lawsuits initiated by Transocean, either the relevant court where you are domiciled, the relevant court where you usually work or at the place to which you were seconded .
- 23. Transocean Ltd.:** Transocean Ltd. hereby accepts and agrees to be bound by any obligations arising out of Sections 4(b) and 4(c) of this Revised Agreement and further accepts and agrees to be bound by any of the provisions of this Revised Agreement in which reference is made to “Transocean Ltd.” or “Transocean” or “Company”; and you agree that Transocean Ltd. shall be entitled to enforce any and all rights afforded to Transocean or the Company under this Revised Agreement.

Please confirm your understanding and acceptance of the above terms and conditions by signing and returning to us a copy of this Revised Agreement.

Sincerely,

Transocean Offshore Deepwater Drilling Inc.

Date: December 20, 2013

/s/ Keelan Adamson

Keelan Adamson
Director

/s/ David Tonnel

David Tonnel
Director

Accepted and Agreed:

Date: December 20, 2013

/s/ John Stobart

John Stobart

Accepted and Agreed pursuant to Section 23 of this Revised Agreement:

Transocean Ltd.

Date: December 20, 2013

/s/ Ihab M. Toma

Ihab M. Toma
Executive Vice President, Chief of Staff

December 13, 2013

Dear Mr. Ikäheimonen,

This employment agreement between you and Transocean Management Ltd. reflects the terms and conditions of your existing employment arrangements with Transocean (dated September 7, 2012), as amended herein (the "Revised Agreement"). All references in this Revised Agreement to "Transocean" or "Company" shall mean Transocean Ltd. and its affiliates.

1. **Effectiveness:** The effectiveness of this Revised Agreement is subject to the approval of the terms of this Revised Agreement by the Executive Compensation Committee (the "Committee") of the Board of Directors of Transocean Ltd. (the "Board of Directors").
2. **Title:** Chief Financial Officer of Transocean Ltd.
3. **Reporting:** You report to the Chief Executive Officer of Transocean Ltd.
4. **Remuneration and other Benefits:** The compensation and benefits described in this Revised Agreement are subject to the terms and conditions of the underlying policies and/or plan documents governing such compensation or benefits. In the event of any discrepancy, the underlying policies or plan documents prevail.
 - a) **Base Salary:** Your annual gross base salary ("Base Salary") continues to be CHF 684,740, and is paid in twelve equal monthly installments in accordance with Clause 5 of this Revised Agreement. Your Base Salary will be reviewed each year by the Committee and any changes will be communicated to you in writing.
 - b) **Performance Award and Cash Bonus Plan of Transocean Ltd.:** In addition to your Base Salary, you continue to be eligible to participate in the Performance Award and Cash Bonus Plan or any successor plan (the "AIP") in accordance with its applicable terms and to the extent determined by the Committee in its sole discretion. Your current annual bonus target continues to be 80% of your Base Salary. Your annual bonus target is not a promise to pay fixed compensation. Rather, you will have an opportunity to earn a percentage of your annual bonus target based on Transocean's performance, as determined by the Committee in its sole discretion. This means that your actual

bonus may range from 0%-200% of your annual bonus target as determined by the Committee in its sole discretion. The annual bonus will be paid in accordance with the terms of the AIP. Your actual annual bonus target and the terms of the AIP may change over time as determined by the Committee, in its sole discretion, and any changes will be communicated to you in writing. For the avoidance of doubt, the Committee retains absolute discretion in determining your bonus and may rely on factors relating specifically to your performance which may result in a bonus calculated differently than for other AIP participants.

- c) **Long-Term Incentive Plan of Transocean Ltd. (LTIP):** You continue to be eligible to participate in the LTIP in accordance with its applicable terms and to the extent determined by the Committee, in its sole discretion.

It is anticipated that beginning in 2014 your total LTIP awards, including any Annual LTIP Awards and any Supplemental LTIP Awards, will consist of an equal mix of both performance-based restricted stock units (“Contingent Based Deferred Units” or “CDUs”) and time-vested restricted stock units (“Deferred Units” or “DUs”). The award of any CDUs or DUs will be subject to the terms and conditions of the LTIP and the applicable award letter.

Annual LTIP Award: Your current long-term incentive (LTI) target award continues to be 350% of your Base Salary with any target equity award calculation (along with vesting schedule and performance criteria) to be made by the Committee in its sole discretion.

Supplemental LTIP Award: In addition to your Annual LTIP Award beginning in 2014, the Committee, in its sole discretion, may grant a supplemental LTI award in consideration of your performance of services hereunder as a resident of Switzerland.

As with other provisions in this Revised Agreement, the actual annual and/or supplemental LTI target and/or the way in which LTI awards are valued and delivered (i.e., CDUs, DUs, options, stock appreciation rights, etc.) may change over time as determined by the Committee, in its sole discretion, and any changes will be communicated to you in writing.

- d) **Tax and Financial Planning:** You continue to be entitled to a tax and financial planning benefit of \$5,000 annually in accordance with Transocean’s policy.

5. **Pay Schedule:** You will be paid on Transocean's monthly CHF payroll on the last banking day concurrent with or prior to the 25th of each month.

6. **Expatriate Allowances:** You continue to be eligible for Switzerland-based expatriate allowances or reimbursements provided to Switzerland-based expatriates for the period of your employment in Switzerland. The allowances or reimbursements, which are provided under the Company's global mobility benefits policies and are subject to change, consist of the following:

Housing & Utility Allowance: A housing and utility allowance of CHF 14,000 per month provided via monthly local payroll as described in Transocean's Relocation Policy.

Cost-of-Living Allowance: A cost of living allowance of 15% of Base Salary will be provided, payable in Swiss Francs via monthly local payroll. The cost-of-living allowance is capped at a maximum of CHF 7,560 per month.

Transportation Allowance: A transportation allowance of CHF 1,000 per month paid via monthly local payroll as described in Transocean's Relocation Policy.

Vacation Travel Allowance: A vacation travel allowance as provided in Transocean's Travel Allowance and Vacation Days Policy.

Educational Expense Reimbursement: Reimbursement for certain educational expenses on behalf of your dependent children as provided in Transocean's Relocation Policy.

7. **Swiss Benefits:** You will participate in the benefit programs provided for Expatriate employees on Transocean's CHF payroll. In particular, you will participate in the retirement and disability programs available through our Swiss providers.

8. **Tax Preparation and Payment:** You are responsible for payment of any taxes and the preparation and filing of any tax returns required pursuant to your employment with Transocean. You will be required to annually submit certain information to Transocean's current tax advisors.

9. **Tax Treatment:** Transocean makes no representations as to the tax treatment, favorable or otherwise, of compensation or benefits provided to you pursuant to your employment with Transocean. Transocean shall not be responsible for any adverse tax consequences to which you may be subject, including any taxation or other penalties under Section 409A of the United States Internal Revenue Code.

10. **Tax Equalization:** The Company will no longer offer tax equalization benefits. The Company will honor its commitments for the years 2012 through 2013 by providing a cash settlement to you of CHF 90,151 based on a good-faith estimate in December 2013.

- 11. Deductions:** Transocean will deduct from any compensation and benefit pursuant to this Revised Agreement the applicable employee contributions to social security schemes (AHV/IV, EO, ALV), pension fund (BVG) as well as applicable taxes and withholding, if any, payable by you in accordance with the applicable laws and regulations.
- 12. Place of Work:** Your principal place of work is Geneva or any other place in Switzerland or abroad as designated by Transocean. Your work requires travelling. You therefore shall, as required by your duties hereunder, undertake any foreign travel in and outside Switzerland as may be necessary for the proper performance of your duties.
- 13. Working Time:** You are employed on a full-time basis. You shall dedicate full time, attention and energy to the business of Transocean. Any overtime work or additional tasks performed by you are fully compensated by your Base Salary.
- 14. Vacation:** You are eligible for 25 vacation days per year in accordance with Transocean's Travel Allowance and Vacation Days Policy.
- 15. Visa:** You are required to cooperate with Transocean in order to maintain your current work visa.
- 16. Employment Regulations:** In addition to these terms and conditions, you are subject to Transocean's policies, procedures and practices, as from time-to-time issued and applicable for Transocean's employees and which may be modified from time to time by Transocean. You confirm receipt of the following documents and understand their content:
 - Club Membership Policy
 - Employee Patent and Secrecy Agreement
 - Executive Severance Benefit Policy
 - Long-Term Incentive Plan of Transocean Ltd. (LTIP)
 - Performance Award and Cash Bonus Plan of Transocean Ltd. (AIP)
 - Personal Financial Planning Benefit Policy
 - Relocation Policy
 - Transocean Code of Integrity
 - Transocean Executive Stock Ownership Policy
 - Transocean Insider Trading Policy
 - Transocean Management Ltd. Pension Plan
 - Vacation Travel Allowance and Vacation Days Policy
- 17. Termination:** Either party may terminate the present employment relationship as per month end by giving three months written notice.

- 18. Severance Pay:** To the extent permitted by applicable law, including any restrictions under the ordinance or statute implementing article 95 para. 3 and article 197 no. 8 of the Swiss Federal Constitution (the “Minder Legislation”), you continue to be eligible for benefits under the existing Executive Severance Policy, the AIP and the LTIP. If any of the above benefits should not be permissible under applicable law, Clause 22 shall apply.
- 19. Repatriation:** You continue to be entitled to repatriation in accordance with the Relocation Policy.
- 20. Confidentiality:** Except in the proper performance of your duties or with the written consent of Transocean, you shall not during the employment nor at any time thereafter disclose to any person or use for your own purpose or that of others and shall during the employment use your best endeavors to prevent the publication or disclosure of any information of a private, confidential or secret nature concerning the business or affairs of Transocean or of any person having dealings with Transocean and which comes to your knowledge during the course of or in connection with your employment.
- 21. Data Protection:** You agree that Transocean may forward to its affiliated companies in Switzerland and abroad your data for processing purposes.
- 22. Severability:** If any provision of this Revised Agreement shall be determined or held to be invalid, illegal or unenforceable, including if such invalidity, illegality or unenforceability is due to the Minder Legislation, the validity, legality and enforceability of the remaining provisions of this Revised Agreement shall not in any way be affected or impaired thereby. The parties shall negotiate in good faith, to the extent possible, a provision or provisions that are economically similar to the provision or provisions determined or held to be invalid, illegal or unenforceable, including such invalidity, illegality or unenforceability due to the Minder Legislation, taking into account the intentions of the parties at the date of this Revised Agreement, it being understood that failure of an agreement on such replacement provisions shall not in any way affect the validity, legality and enforceability of the remaining provisions of this Revised Agreement.

The Company will propose alternative terms to this Revised Agreement during the fourth quarter of 2015 to achieve compliance with the Minder Legislation by January 1, 2016, and the parties agree to cooperate to reach acceptable terms in compliance with the Minder Legislation.

- 23. Applicable Law and Jurisdiction:** This Revised Agreement shall be governed by and construed in accordance with the laws of Switzerland, in particular the Swiss Code of Obligations, to the exclusion of any international treaties. The place of jurisdiction for any and all disputes arising out of or in connection with this Revised Agreement shall be as follows: (i) For lawsuits initiated by you, either the relevant court where you usually work, the relevant court at your

domicile or your habitual residence or the relevant court where the main seat of Transocean Management Ltd. is located; or (ii) for lawsuits initiated by Transocean, either the relevant court where you are domiciled or the relevant court where you usually work.

24. Transocean Ltd.: Transocean Ltd. hereby accepts and agrees to be bound by any obligations arising out of Sections 4(b) and 4(c) of this Revised Agreement and further accepts and agrees to be bound by any of the provisions of this Revised Agreement in which reference is made to “Transocean Ltd.” or “Transocean” or “Company”; and you agree that Transocean Ltd. shall be entitled to enforce any and all rights afforded to Transocean or the Company under this Revised Agreement.

Please confirm your understanding and acceptance of the above terms and conditions by signing and returning to us a copy of this Revised Agreement.

Sincerely,

Date: December 20, 2013

Transocean Management Ltd.

/s/ Ihab M. Toma

Ihab M. Toma

Chairman of the Board of Directors

/s/ Deepak Munganahalli

Deepak Munganahalli

Member of the Board of Directors

Accepted and Agreed:

Date: December 20, 2013

/s/ Esa Ikäheimonen

Esa Ikäheimonen

Accepted and Agreed pursuant to Section 24 of this Revised Agreement:

Transocean Ltd.

Date: December 20, 2013

/s/ Ihab M. Toma

Ihab M. Toma

Executive Vice President, Chief of Staff