

## Audit Committee Charter

(Amended and Restated 23 August 2011)

**CHARTER**  
**AUDIT COMMITTEE**  
**of**  
**THE BOARD OF DIRECTORS**  
**of**  
**ENSCO ROWAN PLC**

*(Amended and Restated 23 August 2011)*

**Mission Statement**

The Audit Committee (“Committee”) will assist the Board of Directors in fulfilling its oversight responsibilities, including those which relate to (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the auditor’s (as defined below) qualifications and independence and (iv) the performance of the Company’s Internal Audit Department and the auditor. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, and the internal and external auditors. As used herein, the term “auditor” means the independent public accounting firm engaged to perform the Company’s audit required by the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Companies Act 2006, as in force from time to time.

The Committee’s function is one of oversight only and does not relieve management of its responsibilities for preparing financial statements that accurately and fairly present the Company’s financial results and condition, nor the auditors of their responsibilities relating to the audit or review of financial statements.

**Composition**

The Committee shall be comprised of three or more directors who are independent as defined in the Company’s Corporate Governance Policy and by applicable laws, rules and regulations for the purposes of audit committee independence. Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless approved by the Board of Directors.

Committee members, including the Committee chair, shall be appointed by the Board of Directors.

Each Committee member shall be financially literate, as such qualification is interpreted by the Board of Directors in its business judgment in accordance with applicable laws, rules and regulations.

At least one of the Committee members shall have financial management expertise, such qualification to be determined by the Company’s Board of Directors in accordance with and as required by applicable laws, rules and regulations. In addition, the Committee must annually evaluate the status of its members and report to the Company on a timely basis to enable the Company to disclose under applicable rules, whether or not at least one Committee member is an audit committee financial expert as defined in the Securities and Exchange Commission (“SEC”) rules.

Notwithstanding the foregoing requirements related to the composition of the Committee, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

### **Authority**

The Committee is granted all authority of the Board of Directors as may be required or advisable to fulfill the purposes of the Committee, including the authority to:

- Recommend, approve the compensation of, oversee and discharge the auditor, which direction includes the authority to directly approve the auditor's audit engagement fees and terms, provided that the Committee's annual recommendation of the auditor shall be submitted to the Company's shareholders for approval at each Annual General Meeting of Shareholders. In connection with the auditor appointment, the Committee shall annually determine that regulatory rotation requirements for the lead audit partner have been satisfied, and shall consider whether there should be a rotation of the auditor firm to further continuing auditor independence. The auditor shall report directly to the Committee;
- Directly appoint, approve the compensation of, oversee and discharge the U.S. auditor, which direction includes the authority to directly approve the U.S. auditor's audit engagement fees and terms, provided that the Committee's annual appointment of the U.S. auditor shall be submitted to the Company's stockholders for ratification at each Annual Meeting of Stockholders. In connection with the U.S. auditor appointment, the Committee shall annually determine that legal or regulatory rotation requirements for the lead audit partner have been satisfied, and shall consider whether there should be a rotation of the U.S. auditor firm to further continuing auditor independence. The U.S. auditor shall report directly to the Committee;
- Pre-approve all audit services and permissible non-audit services to be performed for the Company and its subsidiaries by the auditor and its member firms, subject to the de minimis exceptions for non-audit services detailed in Section 10A(i)(1)(B) of the Exchange Act, and the rules and regulations promulgated thereunder;
- Investigate any activity of the Company, with the full cooperation of all employees as requested by the members of the Committee;
- Retain persons, including professionals having special competence, and utilize management personnel as necessary to assist the Committee in fulfilling its responsibilities and engage independent legal counsel and other advisors regarding accounting or audit practices or other issues pertinent to the Committee; and
- Delegate to the Committee chair, any one of the Committee members or any subcommittee the Committee may form, the responsibility and authority for any particular matter, as the Committee deems appropriate from time to time under the circumstances; provided that subcommittees shall not have the authority to engage independent legal counsel or other advisors unless expressly granted such authority by the Committee. Each subcommittee shall keep minutes and report them to the Committee.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the auditor for the purpose of rendering or issuing an audit report, compensation to any advisors employed by the Committee and ordinary administrative expenses of the Committee

that are necessary or appropriate in carrying out the Committee's duties. In this regard, the Company's management shall benchmark auditor fees of competitors, summarize results for the Committee, and make a recommendation to the Committee regarding the fees proposed by the auditor.

Nothing in this charter is intended to preclude or impair the protection provided under English law for reliance by members of the Committee in their independent judgment and to a reasonable degree in the competence and integrity of reports and other information provided by others. While the Committee members have the duties and responsibilities set forth in the Committee charter, nothing contained in the Committee charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable laws, rules or regulations.

### **Meetings**

The Committee is to meet as many times as the Committee deems necessary. At a minimum, the Committee shall meet quarterly to discuss annual and quarterly financial statements with the auditor and management.

A written agenda for each meeting should be prepared and distributed to the Committee members and Board members in advance, along with any other relevant information.

As necessary or desirable, the Committee may request that members of management and representatives of the auditor be present at meetings of the Committee.

Additional attendees and matters to be reviewed at Committee meetings shall include the following:

- The Company's Director - Internal Audit shall report, at least annually, on the results of audits and the current audit plan status.
- The Company's General Counsel shall periodically report to the Committee on legal matters that may have a significant impact on the Company's financial statements. The General Counsel also shall, at least annually, advise the Committee of, and the Committee shall discuss, the guidelines and policies by which the Company undertakes risk assessment and risk management, including the availability and cost of insurance.
- The Committee shall periodically meet with the auditor, the Chief Financial Officer, the General Counsel, the internal auditors and Company management in separate executive sessions.
- The Company's Director - Tax shall periodically report to the Committee on tax matters that may have a significant impact on the Company's financial statements.

### **Minutes**

The Secretary or Assistant Secretary of the Company, or other such person as the Committee shall appoint, will prepare the minutes of each meeting and distribute a copy of the minutes to the Committee members and the other directors.

### **Responsibilities**

The Committee shall be empowered in accordance with its judgment to:

### **Internal Controls**

1. Review with the Company's management and auditor the Company's policies and procedures to confirm Company management's opinion regarding the adequacy of internal accounting, financial reporting and disclosure controls and procedures.
2. Inquire as to the extent to which internal and external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a system breakdown.
3. Gain an understanding of whether internal control recommendations made by internal and external auditors have been implemented by management.

### **Financial and SEC Reporting**

4. Meet to review the Company's annual audited financial statements and quarterly financial statements with Company management and the auditor, including the Company's specific intended disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other key content and disclosures to be included in the Company's annual and quarterly reports filed with the SEC or other significant financial returns to regulators.
5. Discuss each quarterly earnings press release, as well as financial information and earnings guidance provided to analysts and rating agencies. This may be conducted generally as to types of information and presentations, but the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
6. Review with management and the auditor, upon completion of the audit, the audited financial results for the year prior to their release to the public. This review is to include:
  - Significant transactions that are not a normal part of the Company's operations;
  - Changes, if any, during the year in the Company's or group's accounting principles or their application; and
  - Significant adjustments proposed by the auditor;
  - The effect of regulatory policies and developments, including those related to accounting and SEC reporting, on the Company's financial statements;
  - The effect of accounting initiatives, including any off-balance sheet structures, on the Company's financial statements; and
  - Make a recommendation to the Board of Directors that approval be granted to include the audited financial results in the Company's Annual Report on Form 10-K filed with the SEC.
7. Provide its independent perspective to management for consideration in the resolution of financial statement issues and for discussion of significant judgment matters.
8. Prepare the Audit Committee Report that is required to be included in the Company's annual proxy statement under SEC rules.

9. The Committee will periodically inquire of management, the members of the Internal Audit Department and the auditors about the Company's major financial risks or exposures, discuss the steps management has taken to monitor and control such exposures, and discuss guidelines and policies with respect to risk assessment and risk management.

### **External Audit**

10. Receive from the auditor a formal written statement of all relationships between the auditor and the Company consistent with applicable requirements of the Public Company Accounting Oversight Board or other relevant auditing practice board regarding the auditor's communications with the Committee concerning independence, discuss with the auditor the potential effects of any disclosed relationships on the independence of the auditor, discuss with the auditor the auditor's independence and take such further action as may be appropriate to verify the auditor's independence.
11. At least annually, obtain and review a report from the auditor regarding (i) the auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the auditor and the Company. The Committee shall present its conclusions with respect to the auditor to the full Board of Directors.
12. Review, prior to the annual audit, the scope and general extent of the auditor's audit plan.
13. Review the auditor's identification of issues and business and financial statement risks and exposures, including any related recommendations for improvement.
14. Review and discuss reports from the auditor before the filing of any Audit Committee report on the following:
  - all critical accounting policies and practices to be used;
  - all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with Company management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditor; and
  - other material written communications between the auditor and Company management, such as any management letter or schedule of unadjusted differences.
15. Review and discuss with the auditor the matters required to be discussed by the applicable auditing standards of the Public Company Accounting Oversight Board or other relevant auditing practice board, as modified, superseded or supplemented, including:
  - any problems or difficulties encountered in the course of the audit work and management's response;
  - any restrictions on the scope of the auditor's activities or on access to requested information;

- any uncorrected misstatements, other than those the auditor believes are trivial; and
  - any significant disagreements with management.
16. Inform the auditor and management that the auditor and the Committee may communicate with each other at all times, and that the Committee chair may call a meeting whenever he deems it necessary.
  17. Instruct the auditor that the Committee expects to be advised if there are any areas that require its special attention.
  18. Evaluate the cooperation received from management by the auditor during their audit examination, including their access to all requested records, data and information. Also, elicit the comments of management regarding the responsiveness of the auditor to the Company's needs. Inquire of the auditor whether there have been any disagreements with management which if not satisfactorily resolved would have caused them to issue a nonstandard or qualified report on the Company's financial statements and resolve any disagreements between management and the auditors regarding financial reporting.
  19. Discuss with the auditor the quality of the Company's financial and accounting personnel.

#### **Internal Audit**

20. Review annually the activities and structure of the Internal Audit Department, including its charter, responsibilities, budget, plans, staffing and organizational structure.
21. Review and approve the Internal Audit Department annual audit plan.
22. Review significant findings and management's response to internal audit reports, including a status report of follow-up action items.
23. Review annually and advise the Board of Directors on the selection and removal of the Company's Director – Internal Audit

#### **Related Party Transactions and Compliance With Codes Of Ethical Conduct**

24. Except as respects compensatory agreements with a Company officer or director which fall within the purview of the Compensation Committee, review and, if deemed appropriate, pre-approve any proposed transaction between any Company officer, director or any nominee for director, or an immediate family member or affiliate of any officer, director or nominee for director, or a security holder who is known to the Company to be the beneficial owner of more than five percent of any class of the Company's voting securities, or an immediate family member of any such security holder, and the Company or any of its subsidiaries or affiliates to ensure that such "related-party" transactions are fair and in the overall best interest of the Company. No such transaction shall be entered into without the prior approval of the Committee.
25. Make, or cause to be made, all necessary inquiries of management and the auditor concerning established standards of corporate conduct and performance, and deviations therefrom.

26. Review in-house policies and procedures for regular review of officers' expenses and perquisites, including any use of corporate assets. Inquire as to the results of the review and, if appropriate, review a summary of the expenses and perquisites of the period under review.
27. Review the results of the Company's annual survey of compliance with the Company's Code of Business Conduct Policy, and monitor compliance with the Code of Business Conduct Policy in general and consult with the Company's Chief Compliance Officer in connection therewith.
28. Establish procedures for the receipt, retention and treatment of complaints received by the Company or Board of Directors regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting, auditing or business conduct matters.

**Other**

29. Review and discuss disclosures made to the Committee by the Company's principal executive officer(s) and principal financial officer(s) during their certification process for the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q or similar individual or group accounts and directors' report filings for English law purposes regarding (i) any significant deficiencies and material weaknesses in the design or operation of internal controls and procedures for financial reporting or material weaknesses therein, and (ii) any fraud involving Company management or other employees who have a significant role in the Company's internal controls and procedures for financial reporting.
30. Apprise the Board of Directors, through routine Committee reports, distribution of minutes and special presentations as necessary, of significant developments in the course of performing the above duties.
31. Review the annual Board performance evaluation as it relates to the Committee, and implement such measures as may be deemed appropriate to improve the performance and administration of the Committee.
32. Annually review the Committee charter and recommend to the Board of Directors any appropriate extension or changes in the duties of the Committee or revisions of the Committee charter.
33. Review the results of the Company's annual fraud risk assessment.
34. Set policies for the Company's hiring of employees or former employees of the auditor.
35. Require management to establish procedures for the receipt, retention and treatment of reports by the Company's internal and external attorneys regarding evidence of a material violation of an applicable English, United States federal or state securities law, material breach of fiduciary duty arising under English, United States federal or state law or similar material violation of any English, United States federal or state law by the Company or any officer, director, employee or agent of the Company.
36. The Chief Financial Officer shall report to the Committee, at least annually, on the quality of the overall audit process, including Sarbanes-Oxley audit processes, the external and internal audit functions to ensure efficiency while adopting best practices.