# Table of Contents

1.0 Message from the CEO 01

2.0 Introduction 03

3.0 HSE Performance 04
  3.1 Lost Time Injury Frequency Rate Benchmark 04
  3.2 Vessel Days without LTI 04
  3.3 Advance to Zero - Life Saving Rules 07

4.0 Environment 08

5.0 Quality Management 09

6.0 Continuous Improvement Initiatives and Projects 12
  6.1 Management System 12
  6.2 Legal Compliance 12
  6.3 Potential Matrix Factor 13
  6.4 GMS Academy 15
  6.5 Ground breaking Simulator Training 17
Message from the CEO

“"I would like to commend all our personnel for their diligence and vigilance.""
2.0 Introduction

2014 saw GMS record an improved HSE performance compared with our 2013 annual performance. No Lost Time Injury (LTIR) was recorded for the 12 month period, and the Total Recordable Incident Rate (TRIR) was reduced from 0.4 to 0.20 (per 200,000 man-hours worked). This was achieved within the background of ongoing growth in the company with the addition of our new E Class SESV, "GMS Enterprise" and the continued new build program for our future vessels.

Although good progress has been attained during 2014, it is vital that we ensure that no complacency creeps into the mindset, and indeed we shall be striving to drive more improvement into our operations through our current and established processes, procedures and practices, as well as with the introduction and continuing embedding of our new initiatives, which we describe later within this document.

3.0 HSE Performance

Both graphs show a downward trendline from 2010 through to end of year 2014.
### TOTAL CORPORATE STATS

#### CATEGORIES

<table>
<thead>
<tr>
<th>Category</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatality</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LTI</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Restricted Work Day Case (RWDC)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Medical Treatment Case (MTC)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>First Aid Case (FAC)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Occupational Illness and Occupational Disease</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Material/Productivity Loss</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pollution</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loss of Containment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fire or Explosion</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Security</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Near Miss</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HiPo</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Safety Critical Equipment/FAILURE</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Technical Offshore</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vehicle Incident</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Man-Hours Worked</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Days Lost</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LTI Frequency (LTI per 200,000 Man-Hours)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Recordable Injury Rate (LTI+RWC+MTC per 200,000 Man-Hours)</td>
<td>0.20</td>
<td>0.20</td>
</tr>
</tbody>
</table>

#### TOTAL

- **Lost Time Injury Frequency Rate Benchmark**
  - **LTIFR per Million Man-hours**
  - **Lost Time Injury Frequency Rate Benchmark**

- **TRIR per Million Man-hours**
  - **GMS**
  - **OGP**
  - **IMCA**

- **Vessel Days without LTI**
  - **Days Since last LTI (days since starting operations)**

### 3.1 Lost Time Injury Frequency Rate Benchmark

![Graph showing LTIFR per Million Man-hours](image)

### 3.2 Vessel Days without LTI

![Graph showing Vessel Days without LTI](image)
Life Saving Rules

GMS “Advance to Zero” A2Z, is a journey in which we are undertaking to instil the belief that everything we do can be done without hurting anyone or damaging the environment. As a growing organization operating in challenging and inherently hazardous environments we recognize that to achieve this aim we need to continue driving performance, developing the leadership skills of our staff and improving our systems and processes. In addition to this and supporting our value of excellence we have identified and developed the following GMS Lifesaving Rules:

1. Stability and Jacking Safely
2. Manoeuvring Safely
3. Lifting Operations
4. Lifted Objects
5. Permit to Work & Confined Space
7. Conduct Gas Testing When Required
8. Working at Heights
9. Chemicals & Hazardous Substances
10. Management of Change
11. Stop/Time Out for Safety Authority
12. Zero Tolerance of Alcohol & Drugs & Smoking in Designated Areas Only
13. Conduct Gas Testing When Required

The GMS Lifesaving Rules are intended to reinforce what our employees and subcontractors must know and do to prevent serious injury or at worst a fatality. They have been identified through assessment and understanding of the most significant risks within our operations and new build program.

To facilitate the role out and implementation of the GMS Lifesaving Rules we are well advanced in completely remodelling our induction program centering on the GMS Lifesaving Rules. Each rule has a specific training module that has been developed to ensure personnel understand the key safety actions required of them to keep themselves and others safe. The modules are based on the safe systems of work and controls set out in the GMS Integrated Management System. Our aim is to ensure that knowledge and understanding of our Life Saving Rules is embedded in our employees from the day they start work with us.

At GMS we are absolutely committed to ensuring that at the end of each day you go home safely to your families.

Environment

One of the aims in GMS is to minimise the impact we have on the environment. In 2014 we achieved our objective of not causing any accidental pollution across all our operations and new build programme. Going further than that we made sure that any potential incidents were investigated fully thus enabling us to evaluate and address internal controls effectively. We are also establishing an environmental monitoring programme with the aim of introducing key initiatives across our business that will further reduce our environmental impact and footprint.

The GMS Greenhouse Gas emissions Statement:

In accordance with the UK Government regulatory requirements, GMS was required to report its Greenhouse Gas (GHG) emissions for the first time as a London Stock Exchange listed company.

The consumption of fuel during the operation of our vessels is the largest contributor to our GHG emissions statistics. Although our vessels are leased on a long-term basis to our clients, who both pay for fuel and determine where each vessel sails, we have chosen to account for their GHG emissions within our footprint, in accordance with the "operational control" approach to developing our GHG footprint. The intensity ratio of tonnes CO₂ per USD 1000 of Group revenue earned during the reporting period has been chosen because, as a service company, the amount of revenue earned best reflects our operational output and therefore the contribution to our GHG emissions.

In calculating our GHG emissions, we have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), the 2014 UK Government Conversion Factors for Company Reporting, the Climate Registry 2014 and the IEA CO₂ Emissions from Fuel Combustion (2012 edition).

Greenhouse gas emissions for the period 1st January 2014 to 31st December 2014

Scope
Emissions from:

Scope 1
Combustion of fuel & operation of facilities (in tonnes CO₂eq) 39,515

Scope 2
Electricity, heat, steam and cooling purchased for own use (in tonnes CO₂eq) 1,038

Total (in tonnes CO₂eq) 40,553
Total Revenue in the reporting period 196,554,000
CO₂eq Ratio (kg CO₂eq per 1000 USD) 0.2
Quality Management

The purpose of the GMS Internal Audit program is to verify the validity and integrity of our Management Systems, to identify good practice and to identify areas in need of further development or improvement.

In 2014 a tough audit program was set, with 88% completion achieved. There were many reasons behind the 12% non-completed audits, but the main challenge was receiving operational bed allocation, due to critical operations or weather restraints. From the non-conformances raised we found that the main issues centred around processes not being followed and that the documentation being used was outdated or the wrong revision.

Audit Performance

Corrective/Preventive Action Request (CPAR’s) 2014

Key details:

Total CPAR’s logged in the system: 317

NCR’s closed: 165 (44.6% of total CPAR’s)
NCR’s open: 152 (46.4% of total CPAR’s)
NCR’s overdue: 127 (40.4% of open CPAR’s)

Total No. of CPAR’s per Vessel (YTD)

Audit Completion

Total Audits

Of which

Completed

Audit Completion

External

Internal

(as of Nov 30th)

90

95

88%
6.0 Continuous Improvement Initiatives and Projects

6.1 Management System

GMS started a project in 2014 to redesign and improve the existing management system structure in order to meet the expected demands on the company from significant expansion and entering new geographies. Part of this process was to consolidate, rationalise and simplify wherever possible and then restructure the hierarchy into a four tier system. We have also invested in our offshore IT systems to ensure that documents are more easily accessed through our document control system Agility. The project is due to be finished by mid 2015 and rolled out through our training academy.

6.2 Legal Compliance

The GMS Business Management System requires the company to comply with all the legal requirements of the country that it is working in as well as monitoring any change in those requirements. Requirements in the context of this procedure refer to Legislations, Regulations, Standards, Codes and best practices.

In order to ensure compliance, a systematic approach to monitoring must be followed. The figure below represents the Legal Compliance cycle, which is a framework that helps GMS fulfill the relevant legal requirements.

**BMS Documentation Breakdown**

- In 2014 a total of 278 documents were added into our BMS while 128 documents were reviewed. Only 6 documents were deleted which is equivalent to the 1% of the BMS entirety.

  Documentation refers to Manuals, Standards, Procedures, Forms, Job Descriptions and Plans.
Potential Matrix Factor

In 2015, GMS shall adopt a new measurement tool called the “Potential Matrix Factor” (PMF), which takes a proactive approach to measuring safety performance. This is a ‘leading’ indicator complementing the reactive ‘lagging’ indicator of Total Recordable Incident Rate (TRIR).

GMS will now look at all incidents and score (quantify) them using a “scoring matrix” (as per matrix below) based on the potential consequence outcome rather than the actual. This allows the company to identify early indicators of issues. The potential matrix is unique in that it is quantified (i.e., each cell is “scored” with a numerical potential matrix factor). The value of the Potential Matrix Factor Frequency can be seen when comparing it with the traditional measurement of safety performance, the TRIR, as the TRIR may be relatively low when the potential matrix factor indicates there may be problems that require action.

<table>
<thead>
<tr>
<th>HAZARD EFFECT</th>
<th>Number of people at risk (PROBABILITY)</th>
<th>PERSONAL INJURY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Minor occurrence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment damage</td>
<td>Up to £3,500</td>
<td>10 pts</td>
</tr>
<tr>
<td>Loss of containment</td>
<td>Up to 10 litres</td>
<td>10 pts</td>
</tr>
<tr>
<td>Gas release</td>
<td>Up to 0.1 kg</td>
<td>10 pts</td>
</tr>
<tr>
<td>Moderate occurrence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment damage</td>
<td>Up to £35,000</td>
<td>50 pts</td>
</tr>
<tr>
<td>Loss of containment</td>
<td>10-1000 litres</td>
<td>50 pts</td>
</tr>
<tr>
<td>Gas release</td>
<td>0.1 - 1.0 kg</td>
<td>50 pts</td>
</tr>
<tr>
<td>Major occurrence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment damage</td>
<td>Up to £170,000</td>
<td>100 pts</td>
</tr>
<tr>
<td>Loss of containment</td>
<td>1000-5000 litres</td>
<td>100 pts</td>
</tr>
<tr>
<td>Gas release</td>
<td>1.0 - 5.0 kg</td>
<td>100 pts</td>
</tr>
<tr>
<td>Extensive occurrence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment damage</td>
<td>Over £170,000</td>
<td>500 pts</td>
</tr>
<tr>
<td>Loss of containment</td>
<td>Over 5000 litres</td>
<td>500 pts</td>
</tr>
<tr>
<td>Gas release</td>
<td>Over 5.0kg</td>
<td>500 pts</td>
</tr>
<tr>
<td>Major explosion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.4

The GMS Academy

GMS is committed to ensuring our staff are the best they can be. We achieve this via the GMS Academy which allows us to:

- Demonstrate a commitment to Continuous Development by providing opportunities to engage in modern, innovative training delivered both on and off-shore, such as our industry leading jacking & manoeuvering simulator.

- Ensure the safety of our employees via the development of, and adherence to the GMS Life Saving Rules that ensures all employees have the knowledge and skills required to complete their job/task safely.

- Provide a robust training pipeline encapsulated within Individual Learning Paths (ILPs) that, with the online induction, familiarise and guide individuals as to their training and competence requirement when first employed and throughout their GMS career.

- Continually seek to increase individual, team and Company performance via our Performance Coaching ethos.

GMS Academy

Built on the foundation of our 3 core values

1. Responsibility
2. Excellence
3. Relationships

GMS Academy aims to offer Best-in-Class learning practices to ensure a highly competent workforce

- Role-specific certifications, mandatory/ client trainings
- Competence Assurance System
- Rigorous Performance Evaluation
- Competency
- Master in Training (MIT) Simulator Certification
- Individual Learning Paths
- GMS Life Saving Rules
- Continuous Development
- Performance Coaching
- STCW/Flag State Certifications
- GMS Academy
Ground Breaking Simulator Training

SESVs are relatively unique class of vessels for which no industry acknowledged, standardised Command Training currently exists. Recognising this, and being committed to developing the competence of employees to ensure we are the leading provider of SESVs globally, GMS has developed an SESV Command Course that spans a duration of not less than 5 days.

This course does not seek to train individuals to command vessels; it fully recognises Accredited Prior Learning and reflects that the people we recruit will join us as experienced, competent Masters/Chief Mates. What it does do is ensure these highly competent seafarers are fully aware of the different skills required in handling these unique vessels and in particular manoeuvring, jacking and stability (2 of our lifesaving rules from our Advance to Zero program) and this gives them the knowledge and experience to operate them more safely.

The course methodology is progressive via a foundation of self-learning and instructor led classroom theory that makes maximum use of scenario based workshops. It culminates with the practical application of skills within a simulator specifically designed to accurately mimic the characteristics of GMS vessels.

This not only allows GMS to familiarise candidates with the handling characteristics of its’ vessels in varying weather conditions, but also affords GMS the opportunity of subjecting them to highly realistic emergency scenarios in a controlled, safe environment, under the close supervision of a highly experienced and competent SESV Master Mariner.

Knowledge is assessed at each stage of delivery; the culmination of the course involves the practical assessment of competence within the simulator over a number of progressively difficult scenarios.

Upon successful completion of the SESV Command Course candidates shall return to the GMS Fleet and use the skills they have acquired on one of our SESVs, whilst also accumulating evidence of their competence to Command an SESV in accordance with a set criteria; this phase of their development is completed upon gaining Client Approval.

In recognition that the successful completion of a ‘course’ is the first step in achieving competence, Masters continue to receive support and mentoring from experienced SESV Masters, and Performance Coaching from GMS’s highly experienced and competent Offshore-Performance Coaches as part of their Continuous Professional Development.
Gulf Marine Services
Our assets are engaged in a wide range of services throughout the total lifecycle of offshore oil, gas and renewable energy activities.

Our major services include:
• Enhanced oil recovery
• Diving support activities
• Drilling support, completions and testing
• Platform construction, hookup and commissioning
• Platform restoration and maintenance
• Well abandonment and decommissioning
• Well intervention and workover
• Wind turbine installation and maintenance
• Accommodation barges
• AHTS vessels

Contact: +971 2 502 8888 / gmsauh@eim.ae

Vessels
K-Class – Kamikaze, Kawawa, Keloa, Kikuyu, Kincoa, Kudeta, Naashi
S-Class – GMS Shamal (2015)
E-Class – GMS Endeavour, GMS Endurance, GMS Enterprise
Accommodation & Maintenance Barge – Khawla
Anchor Handler – Atlas, Helios