

ATWOOD OCEANICS, INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors of Atwood Oceanics, Inc. (the "Company") is charged with the oversight of the Company's business in the long-term interests of the shareholders of the Company. These Corporate Governance Guidelines ensure that the Board will have the necessary practices in place to oversee the Company's affairs and to make decisions that are independent of the Company's management. These Guidelines are also intended to align the interests of the Board and management with those of the Company's shareholders.

Board Structure and Director Qualifications

Size of the Board of Directors

The Company's By-Laws provide that the Board of Directors shall be composed of not more than nine nor less than six members. A smaller or larger Board may be appropriate in the future.

Selection of Board Members

Annually, the Board will recommend a slate of directors for election at the annual meeting of shareholders. The Board's recommendations are based on its determination (using advice and information supplied by the Nominating and Corporate Governance Committee) as to the suitability of each individual, and the slate as a whole, to serve as directors of the Company, taking into account the membership criteria discussed below.

The Board may fill vacancies in existing director positions. Any such director elected by the Board to fill a vacancy serves only for the unexpired term of his or her predecessor in office.

Designation of Chairman

Although the Company's Amended and Restated By-laws do not require the selection of a Chairman of the Board, the Board has selected a director to serve in the role of Chairman. The Chairman presides over meetings of the Board and is responsible for coordinating the overall management and functioning of the Board.

Board Membership

The Nominating and Corporate Governance Committee works with the Board on an annual basis to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members. In evaluating the suitability of individual Board members, the Board takes into account many factors, including personal qualities; general management qualities; financial expertise; qualities relating to human resources; and diversity of skills, background and industry experience. The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best ensure the success of the Company's business and represent shareholder interests through the exercise of sound judgment. In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

Board Composition

The Board shall have a majority of independent directors who are free from any relationship that in the determination of the Board would interfere with the exercise of independent judgment as a director of the Company. In determining the independence of a director, the Board will be guided by the definitions of independent director included in the corporate governance rules of the New York Stock Exchange, the definition of non-employee director as defined under Rule 16b-3 of the Securities Exchange Act of 1934, and the definition of an outside director as defined in section 162(m) of the Internal Revenue Code of 1986.

Term Limits

The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with an understanding of the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.

The Board does not believe it should establish a mandatory retirement age. As an alternative to a mandatory retirement age, the Board and the Nominating and Corporate Governance Committee will formally review each director's continuation on the Board upon a director reaching the age of 72 and every two years thereafter.

Directors with Significant Job Changes

The Board believes that any director who has retired or intends to retire from his or her present employment, or who has materially changed or intends to materially change his or her job responsibility (including being asked to leave or join another board), should immediately report the specifics to the General Counsel. The Board and specifically, the Nominating and Corporate Governance Committee, will review the impact of the change on the director's independence and whether continued service raises potential conflicts of interest or is otherwise appropriate for Board membership under the changed circumstance.

No Specific Limitation on Other Board Service

The Board does not believe that its members should be prohibited from serving on boards and/or committees of other organizations. However, the Nominating and Corporate Governance Committee and the full Board will take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and in making its recommendations of a Board slate to the shareholders. Generally, the Board believes that a director should not serve on more than three other public company boards. Service on boards and/or committees of other organizations must be consistent with the Company's conflict of interest policies.

Director Orientation and Continuing Education

The Company will provide an orientation process for new directors, which shall include providing background materials and information on the Company's business plan and its risk profile. The orientation process will also include meetings with senior management. Periodically, management should prepare additional educational information and presentations for directors on matters relevant to the Company, its business plan and risk profile. The Company will reimburse the reasonable expenses of attendance by a director at a continuing education class or program.

Board Self-Evaluation

The Nominating and Corporate Governance Committee will sponsor an annual self-assessment of the Board's and each committee's performance, the results of which will be discussed with the full Board. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the governance of the Company. The purpose of the review will be to improve the performance of the Board as a unit, and not to target the performance of any individual Board member. The Nominating and Corporate Governance Committee will utilize the results of the Board and committee evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

Conflicts of Interest

A director's personal interests, including service on other boards, could occasionally conflict with the Company's interests. It is the policy of the Board to avoid even the appearance of a conflict of interest. In the event a director believes they have a potential conflict of interest, they should immediately advise the Board so that the Board can determine whether a conflict exists. In any event, such director should not participate in any vote or discussion of such issue.

Board Compensation

Direct compensation shall be set by the full Board based upon a recommendation by the Compensation and Human Resources Committee. The Board's compensation consultant shall report from time to time to the Compensation and Human Resources Committee on the practices of other publicly-traded companies in relation to Board compensation. Shareholders shall vote on all stock incentive plans benefiting the members of the Board. Directors' fees and any automatic grants of stock incentives made to non-employee directors shall be the sole compensation for Audit Committee members.

Board Meetings

General

The Board conducts four regularly scheduled meeting per year. Special meetings will be convened as necessary. Typically, the meetings are held at the Company's headquarters in Houston, Texas, but occasionally a meeting is held at another location. An agenda for each Board meeting is prepared in advance and is distributed to the Board members. Each Board member is free to suggest the inclusion of items on the agenda.

Directors are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve, including advance review of materials circulated prior to each meeting.

Board Material Distributed in Advance

Information and data that is important to the Board's understanding of the business shall be distributed in writing or electronically to the Board in advance of the Board meetings. In preparing this information, management should ensure that the materials being distributed are as concise as possible while giving directors sufficient information to make informed decisions. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

Executive Sessions of Independent Directors

The Board's policy is to have a separate Executive Session for the independent directors at least twice a year during the regularly scheduled Board meetings. If there is no designated Chairman of the Board or the Chairman of the Board is not independent, there shall be designated from among the independent directors of the Board, a "Lead Independent Director". The Lead Independent Director will assume the responsibility of chairing the Executive Sessions of the independent directors and shall bear such further responsibilities which the independent directors as a whole might designate from time to time.

In addition to other subjects, the independent directors shall discuss the performance of the Chief Executive Officer at the independent directors meeting. The independent directors shall approve the evaluation process and the specific criteria on which the Chief Executive Officer is evaluated.

Attendance of Management at Board Meetings

The Company's Chief Financial Officer and General Counsel will be present during Board meetings, except where there is a specific reason for one or both of them to be absent or excluded. In addition, the Board may invite one or more other members of management to be in regular attendance at Board meetings, and may include other officers and employees from time to time for the purpose of making presentations, responding to questions by the directors, or providing counsel on specific matters within their areas of expertise.

Board Access to Senior Management

Board members have complete access to the Company's management and independent advisors. The Board encourages management to include key managers in Board meetings who can share their expertise with respect to matters before the Board. This also enables the Board to gain exposure to key managers with future potential for upward promotion in the Company.

Board Committees and Meetings

Board Committees

The Board currently has three standing committees, as follows: Audit, Compensation and Human Resources, and Nominating and Corporate Governance. Each of the Audit, Compensation and Human Resources, and Nominating and Corporate Governance Committees shall consist solely of independent directors. All standing committees will have a written charter. The Board may form a new committee or disband a current committee depending upon the circumstances.

Audit Committee. The Audit Committee has the sole responsibility to appoint and, where applicable replace, the Company's auditors, and monitors the effectiveness of the audit effort, the Company's internal financial and accounting organization, the Company internal audit function, and controls over financial reporting. The Audit Committee approves any significant non-audit work to be provided by auditors. Director's fees and non-discretionary automatic grants of stock incentives made to non-employee directors must be the sole compensation for Audit Committee members.

Compensation and Human Resources Committee. The Compensation and Human Resources Committee oversees the Company's compensation plans, including the review and grant of stock incentives to all eligible employees under the Company's existing stock incentive plans, and reviews and approves salaries and other matters relating to compensation of the executive officers of the Company other than the Chief Executive Officer. The Committee evaluates the Chief Executive Officer's performance, reviews the Chief Executive Officer's compensation and recommends the Chief Executive Officer's compensation to the independent directors for approval.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee makes recommendations to the Board regarding the size and composition of the Board; establishes procedures for the nomination of directors; recommends candidates for election to the Board; nominates officers; reports to the Board on matters of corporate governance; and reviews these Guidelines and recommends revisions as appropriate.

Appointment of Committee Members

The Board is responsible for the appointment of committee members and each committee chair. Membership and the chair of each committee will periodically be reviewed and changes made if appropriate. Concurrent membership on more than one committee is desirable where practicable.

Committee Meetings and Committee Agenda

The Board, in consultation with the committee chairs and appropriate members of management, will determine the frequency of the committee meetings and develop the committees' agendas. The Audit Committee shall meet at least quarterly; the Compensation and Human Resources Committee meets at least three times annually; and the Nominating and Corporate Governance Committee meets at least twice annually. Other Board members are welcome to attend committee meetings for committees on which they do not serve.

Committee Reports to the Board

Reports on each committee meeting shall be made to the full Board by the committee chair as deemed appropriate by the Chairman of the Board. All directors shall receive copies of each committee's agenda and meeting materials, including meeting minutes.

Other Governance Practices

Compensation of Officers

The Compensation and Human Resources Committee conducts, and reviews with the outside directors and advisors, an annual evaluation in connection with the determination of the salary and other compensation of all executive officers.

Evaluation of the Chief Executive Officer

All independent directors should participate in an annual review of the Chief Executive Officer's performance conducted by the Compensation and Human Resources Committee. The Chairman of the Board should communicate the evaluation to the Chief Executive Officer. The evaluation should be utilized when considering the compensation of the Chief Executive Officer.

Succession Planning and Management Development

The Chief Executive Officer reviews succession planning and management development with the Board on an annual basis. The Chief Executive Officer shall assess members of management and their potential to succeed him or her. He or she also provides the Board with an assessment of persons considered potential successors to certain senior management positions, including a review of any development plans recommended for such individuals.

Communications with the Public

The Board believes that management speaks for the Company. Individual Board members are to refrain from making any public statements regarding the Company unless at the request of management.

Risk Management

The Board should understand the principal risks associated with the Company's business. It is the responsibility of management to keep the Board informed of these changing risks on a timely basis. It is important that the Board oversee the key risk decisions of management, which includes comprehending the appropriate balance between risk and reward. The Board reserves oversight of the major risks facing the Company and has delegated risk oversight responsibility as follows: the Audit Committee oversees risks relating to financial matters, financial reporting and auditing; the Compensation and Human Resources Committee oversees risks relating to the design and implementation of the Company's compensation and other human resources policies and procedures; and the Nominating and Corporate Governance Committee evaluates potential conflicts of interest and independence of directors and develops corporate governance principles.

Clawback Policy

In the event that: (i) any executive officer is in violation of the Company's Code of Business Conduct and Ethics or the Code of Ethics for the Chief Executive Officer and Senior Financial Officers, or (ii) there is a downward adjustment or restatement of corporate financial or non-financial performance results, the Compensation Committee may seek recovery of compensation paid to the executive officers involved, whether in whole or in part, or take other remedial action as appropriate, to recover repayment of any bonuses or long-term incentive awards.

Policy on Poison Pill Plans

The Board shall seek and obtain shareholder approval before adopting any shareholders "rights plans" (which for this purpose shall mean any arrangement pursuant to which, directly or indirectly, common stock or preferred stock purchase rights may be distributed to shareholders that provide all shareholders, other than persons who meet certain criteria specified in the arrangement, the right to purchase the common stock or preferred stock at less than the prevailing market price of the common stock or preferred stock (sometimes referred to as a "poison pill")); provided, however, that this policy may be revised or repealed without prior public notice and the Board may thereafter determine to act on its own to adopt a poison pill if, under the then circumstance, the Board, including a majority of its independent members, in its exercise of its fiduciary responsibilities, deems it to be in the best interests of the Company's shareholders to adopt a poison pill without the delay in adoption that would come from the time reasonably anticipated to be necessary to seek shareholder approval.

Review of These Guidelines and Amendments

The Nominating and Corporate Governance Committee shall review the guidelines at least annually and report to the Board with any recommendations it may have in connection therewith, and such review shall be referred to in the Company's proxy statements.

Revised and adopted on August 20, 2015.
