

Transocean Ltd.
Form DEF 14A
April 09, 2009

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Transocean Ltd.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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April 9, 2009

Dear Shareholder:

The 2009 annual general meeting of Transocean Ltd. will be held on Friday, May 15, 2009 at 9:00 a.m., Swiss time, at the Parkhotel Zug, Industriestrasse 14, CH-6304 Zug, Switzerland. The invitation to the annual general meeting, the proxy statement and a proxy card are enclosed and describe the matters to be acted upon at the meeting.

It is important that your shares be represented and voted at the meeting whether you plan to attend or not. Please read the enclosed invitation and proxy statement and date, sign and promptly return the proxy card in the enclosed self-addressed envelope.

Sincerely,

Robert E. Rose
Chairman of the Board

Robert L. Long
Chief Executive Officer

This invitation, proxy statement and the accompanying proxy card are first being mailed to our shareholders on or about April 9, 2009.

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INVITATION TO ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.

Friday, May 15, 2009

9:00 a.m., Swiss time,

at the Parkhotel Zug, Industriestrasse 14, CH- 6304 Zug, Switzerland

Agenda Items

(1)

**Approval of the 2008 Annual Report, the Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2008 and the Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2008.
Proposal of the Board of Directors**

The Board of Directors proposes that the 2008 Annual Report, the consolidated financial statements for fiscal year 2008 and the statutory financial statements for fiscal year 2008 be approved.

(2)

**Discharge of the Members of the Board of Directors and the Executive Officers for Fiscal Year 2008.
Proposal of the Board of Directors**

The Board of Directors proposes that discharge be granted to the members of the Board of Directors and the executive officers for the fiscal year 2008.

(3)

**Appropriation of the Available Retained Earnings Without Payment of a Dividend to Shareholders for Fiscal Year 2008 and Release of CHF 3.5 Billion of Legal Reserves (Additional Paid-in Capital) to Other Reserves.
Proposal of the Board of Directors**

The Board of Directors proposes that (A) no dividend be distributed with respect to the available retained earnings for the fiscal year 2008, (B) the available retained earnings be carried forward, and (C) CHF 3.5 billion of legal reserves (additional paid-in capital) be released and allocated to other reserves.

Appropriation of Available Retained Earnings

(in millions)

Profit for the fiscal year 2008 as per the statutory income statement	CHF	0
Appropriation to general statutory reserves	CHF	0
Proposed dividend	CHF	0
Appropriation to other reserves	CHF	0
Total appropriation	CHF	0

Proposed Release of Legal Reserves (Additional Paid-in Capital) to Other Reserves

(in millions)

Additional paid-in capital as of December 31, 2008	CHF	11,448
Release to other reserves	CHF	3,500
Remaining additional paid-in capital	CHF	7,948

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(4)

Authorization of a Share Repurchase Program.

Proposal of the Board of Directors

The Board of Directors proposes approval of the following resolution:

"The Board of Directors is hereby authorized to repurchase up to CHF 3.5 billion of Transocean Ltd. registered shares. These shares are to be cancelled upon shareholder approval at future annual general meetings of shareholders and thus not subject to the 10% threshold for Transocean Ltd. holding its "own shares" within the meaning of article 659 of the Swiss Code of Obligations. The necessary amendment of the articles of association (decrease in the registered share capital) shall be submitted to future annual general meetings of shareholders."

For the Board of Directors to be permitted to carry out a share repurchase program as proposed, it is a prerequisite that the shareholders approve at the annual general meeting the release of CHF 3.5 billion of legal reserves (additional paid-in capital) to other reserves in accordance with Proposal 3.

(5)

Approval of the Long-Term Incentive Plan of Transocean Ltd. in the Form as Amended and Restated Effective as of February 12, 2009.

Proposal of the Board of Directors

The Board of Directors proposes that shareholders approve the Long-Term Incentive Plan of Transocean Ltd. in the form as amended and restated effective as of February 12, 2009 to (1) increase the number of shares available for the granting of awards under the plan and adopt fungible share counting ratios for different forms of awards, (2) remove the plan provision that automatically accelerated vesting upon a change of control, (3) for purposes of Section 162(m) of the U.S. Internal Revenue Code, update and obtain approval of the performance goals related to performance-based awards under the plan that are intended to qualify as deductible performance-based compensation and increase the associated annual limitation on performance-based cash awards from \$2 million to \$5 million, (4) reflect the assumption of the plan by Transocean Ltd. and make associated changes to take into account that our parent company is now a Swiss corporation, (5) remove all provisions permitting supplemental tax gross-up payments from the plan, (6) expressly disallow repricing of awards without shareholder approval, (7) modify the method of share counting to reduce the number of available shares by the number of shares withheld to satisfy the exercise price or tax withholding obligations relating to an award, (8) remove the plan provision limiting the number of shares available for awards to outside directors, and (9) make other compliance, administrative, clarifying and updating changes.

(6)

Reelection of Directors.

Proposal of the Board of Directors

The Board of Directors proposes that the directors set forth below be reelected as Class I Directors for a three-year term:

W. Richard Anderson

Richard L. George

Robert L. Long

Edward R. Muller

The Board of Directors further proposes that

Victor E. Grijalva

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be reelected as a Class III Director for a two-year term to fill a newly created Class III Director position.

(7)

Appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2009 and Reelection of Ernst & Young Ltd., Zurich, as the Company's Auditor for a Further One-Year Term.

Proposal of the Board of Directors

The Board of Directors proposes that Ernst & Young LLP be appointed as Transocean Ltd.'s independent registered public accounting firm for the fiscal year 2009 and that Ernst & Young Ltd., Zurich, be reelected as Transocean Ltd.'s auditor pursuant to the Swiss Code of Obligations for a further one-year term, commencing on the day of election at the 2009 annual general meeting and terminating on the day of the 2010 annual general meeting.

Organizational Matters

A copy of the proxy materials, including a proxy and admission card, has been sent to each shareholder registered in Transocean Ltd.'s share register as of March 18, 2009. Any additional shareholders who are registered in Transocean Ltd.'s share register on April 25, 2009 will receive a copy of the proxy materials after April 25, 2009. Shareholders not registered in Transocean Ltd.'s share register as of April 25, 2009 will not be entitled to attend, vote or grant proxies to vote at, the 2009 annual general meeting. No shareholder will be entered in Transocean Ltd.'s share register as a shareholder with voting rights between the close of business on April 25, 2009 and the opening of business on the day following the annual general meeting. BNY Mellon Shareowner Services, as agent, which maintains Transocean Ltd.'s share register, will, however, continue to register transfers of Transocean Ltd. shares in the share register in its capacity as transfer agent during this period.

Shareholders registered in Transocean Ltd.'s share register as of April 25, 2009 have the right to attend the annual general meeting and vote their shares, or may grant a proxy to vote on each of the proposals in this invitation and any other matter properly presented at the meeting for consideration to either Transocean Ltd. or the independent representative, Rainer Hager, by marking the proxy card appropriately, executing it in the space provided, dating it and returning it prior to the start of the annual general meeting on May 15, 2009 either to:

Transocean Ltd.
Vote Processing
c/o Broadridge
51 Mercedes Way
Edgewood, NY 11717

or, if granting a proxy to the independent representative
Rainer Hager
Attorney-at-Law and Notary
Schweiger Advokatur/Notariat
Dammstrasse 19
CH-6300
Zug, Switzerland

Shares of holders who have timely submitted a properly executed proxy card and specifically indicated their votes will be voted as indicated. Shares of holders who have timely submitted a properly executed proxy card and have not specifically indicated their votes (irrespective of whether a proxy has been granted to Transocean Ltd. or the independent representative) will be voted in the manner recommended by the Board of Directors.

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If any other matters are properly presented at the meeting for consideration, Transocean Ltd. and the independent representative, as applicable, will, in the absence of specific instructions to the contrary, have the discretion to vote on these matters in the manner recommended by the Board of Directors.

Shareholders who hold their shares in the name of a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee when voting their shares. Shareholders who hold their shares in the name of a bank, broker or other nominee and wish to vote in person at the meeting must obtain a valid proxy from the organization that holds their shares.

We may accept a proxy by any form of communication permitted by Swiss law and our articles of association.

Please note that shareholders attending the annual general meeting in person or by proxy are required to show their proxy and admission card on the day of the annual general meeting. In order to determine attendance correctly, any shareholder leaving the annual general meeting early or temporarily is requested to present such shareholder's proxy and admission card upon exit.

Proxy Holders of Deposited Shares

Institutions subject to the Swiss Federal Law on Banks and Savings Banks as well as professional asset managers who hold proxies for beneficial owners who did not grant proxies to Transocean Ltd. or the independent representative are kindly asked to inform Transocean Ltd. of the number and par value of the registered shares they represent as soon as possible, but no later than May 15, 2009, 8:00 a.m. Swiss time, at the admission office for the annual general meeting.

Annual Report, Consolidated Financial Statements, Statutory Financial Statements

A copy of the 2008 Annual Report, including the consolidated financial statements for fiscal year 2008 and the statutory financial statements of Transocean Ltd. for fiscal year 2008 as well as the audit reports on such statements, are available for physical inspection at Transocean Ltd.'s registered office c/o Reichlin & Hess, Rechtsanwälte, Hofstrasse 1A, CH-6300 Zug, Switzerland. Copies of these materials may be obtained without charge by contacting Eric B. Brown, our General Counsel, at our principal executive offices in Switzerland, c/o Transocean Management Ltd., Blandonnet International Business Center, Chemin de Blandonnet 2, Building F, 7th Floor, CH-1214 Vernier, Switzerland, telephone number +41 (22) 930-9000, or Investor Relations at our offices in the United States, at 4 Greenway Plaza, Houston, Texas 77046.

On behalf of the Board of Directors,

Robert E. Rose
Chairman of the Board

Zug, Switzerland

April 9, 2009

YOUR VOTE IS IMPORTANT

You may designate proxies to vote your shares by mailing the enclosed proxy. Please review the instructions in the proxy statement and on your proxy card regarding voting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON MAY 15, 2009.

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Our proxy statement and 2008 Annual Report are available at
<http://www.deepwater.com/proxymaterials.cfm>.

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**PROXY STATEMENT
FOR ANNUAL GENERAL MEETING OF TRANSOCEAN LTD.
MAY 15, 2009**

INFORMATION ABOUT THE MEETING AND VOTING

This proxy statement is furnished in connection with the solicitation of proxies by Transocean Ltd., on behalf of our Board of Directors, to be voted at our annual general meeting to be held on May 15, 2009 at 9:00 a.m., Swiss time, at the Parkhotel Zug, Industriestrasse 14, CH-6304 Zug, Switzerland.

Proposals

At the annual general meeting, shareholders will be asked to vote upon the following:

Approval of the 2008 Annual Report, the consolidated financial statements of Transocean Ltd. for fiscal year 2008 and the statutory financial statements of Transocean Ltd. for fiscal year 2008 (the "Swiss Statutory Financials").

Discharge of the members of the Board of Directors and the executive officers for fiscal year 2008.

Appropriation of the available retained earnings without payment of a dividend to shareholders for fiscal year 2008 and release of CHF 3.5 billion of legal reserves (additional paid-in capital) to other reserves.

Authorization of the Board of Directors to repurchase up to CHF 3.5 billion of Transocean Ltd. registered shares. These shares are to be cancelled upon shareholder approval at future annual general meetings of shareholders and thus not subject to the 10% threshold for Transocean Ltd. holding its "own shares" within the meaning of article 659 of the Swiss Code of Obligations. The necessary amendments of our articles of association (decrease in the registered share capital) will be submitted to shareholders for approval at future annual general meetings.

Approval of the Long-Term Incentive Plan of Transocean Ltd. in the form as amended and restated effective as of February 12, 2009 to (1) increase the number of shares available for the granting of awards under the plan and adopt fungible share counting ratios for different forms of awards, (2) remove the plan provision that automatically accelerated vesting upon a change of control, (3) for purposes of Section 162(m) of the U.S. Internal Revenue Code, update and obtain approval of the performance goals related to performance-based awards under the plan that are intended to qualify as deductible performance-based compensation and increase the associated annual limitation on performance-based cash awards from \$2 million to \$5 million, (4) reflect the assumption of the plan by Transocean Ltd. and make associated changes to take into account that our parent company is now a Swiss corporation, (5) remove all provisions permitting supplemental tax gross-up payments from the plan, (6) expressly disallow repricing of awards without shareholder approval, (7) modify the method of share counting to reduce the number of available shares by the number of shares withheld to satisfy the exercise price or tax withholding obligations relating to an award, (8) remove the plan provision limiting the number of shares available for awards to outside directors, and (9) make other compliance, administrative, clarifying and updating changes.

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Reelection of directors:

Each of the directors set forth below is proposed to be reelected as a Class I Director for a three-year term:

W. Richard Anderson;

Richard L. George;

Robert L. Long; and

Edward R. Muller;

and Victor E. Grijalva, currently serving as a Class I Director, is proposed to be reelected as a Class III Director for a two-year term to fill a newly created Class III Director position.

Appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2009 and reelection of Ernst & Young Ltd., Zurich, as the Company's auditor pursuant to the Swiss Code of Obligations for a further one-year term, commencing on the day of election at the 2009 annual general meeting and terminating on the day of the 2010 annual general meeting.

Quorum

Our articles of association provide that the presence of shareholders, in person or by proxy, holding at least a majority of the shares recorded in our share register and entitled to vote at the meeting constitutes a quorum for purposes of this annual general meeting. Abstentions and "broker nonvotes" will be counted as present for purposes of determining whether there is a quorum at the meeting.

Record Date

Only shareholders of record on April 25, 2009 are entitled to notice of, to attend, and to vote or to grant proxies to vote at, the annual general meeting. No shareholder will be entered in Transocean Ltd.'s share register with voting rights between the close of business on April 25, 2009 and the opening of business on the day following the annual general meeting.

Votes Required

Approval of the proposal with respect to the 2008 Annual Report and the 2008 consolidated financial statements and 2008 statutory financial statements of Transocean Ltd. requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions.

Approval of the proposal to discharge the members of the Board of Directors and our executive officers for the fiscal year 2008 requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions and not counting the votes of any member of the Board of Directors or any Transocean executive officers.

Approval of the proposal to appropriate available retained earnings without payment of a dividend to shareholders for the fiscal year 2008 and release CHF 3.5 billion of legal reserves to other reserves (additional paid-in capital) requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions.

Approval of the proposal to authorize the Board of Directors to repurchase up to CHF 3.5 billion of Transocean Ltd. registered shares for cancellation purposes requires the affirmative vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or broker nonvotes.

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Approval of the proposal to amend and restate the Long-Term Incentive Plan of Transocean Ltd. requires, in accordance with the rules of the New York Stock Exchange, the affirmative vote of a majority of the votes cast on the proposal to amend and restate the plan, provided that the total number of votes cast on the proposal represents a majority of the votes entitled to be cast. Abstentions and broker nonvotes on the proposal will not affect the voting on the proposal as long as holders of a majority of the shares entitled to vote cast votes on the proposal. Otherwise, the effect of an abstention or broker nonvote is a vote against the proposal.

Approval of the proposal to reelect the five nominees named in the proxy statement as directors requires the affirmative vote of a plurality of the votes cast. The plurality requirement means that the director nominee with the most votes for a board seat is elected to that board seat. You may vote "for" or "against" or "abstain" with respect to the election of each director. Only votes "for" or "against" are counted in determining whether a plurality has been cast in favor of a director. Abstentions are not counted for purposes of the election of directors. As described later in this proxy statement, our Corporate Governance Guidelines set forth our procedures if a director nominee is elected but does not receive more votes cast "for" than "against" the nominee's election.

Approval of the proposal to appoint Ernst & Young LLP as the Company's independent registered public accounting firm for 2009 and to reelect Ernst & Young Ltd. as the Company's auditor pursuant to the Swiss Code of Obligations for a further one-year term requires the affirmative vote of holders of at least a majority of the votes cast on the proposal. Abstentions are not counted for purposes of this proposal.

As of March 18, 2009, there were 319,665,056 shares outstanding. Only registered holders of our shares on April 25, 2009, the record date established for the annual general meeting, are entitled to notice of, to attend and to vote at, the meeting. Holders of shares on the record date are entitled to one vote for each share held.

Proxies

A proxy card is being sent to each record holder of shares as of March 18, 2009. In addition, a proxy card will be sent to each additional record holder of shares as of the record date, April 25, 2009. If you are registered as a shareholder in Transocean Ltd.'s share register as of April 25, 2009, you may grant a proxy to vote on each of the proposals and any other matter properly presented at the meeting for consideration to either Transocean Ltd. or the independent representative, Rainer Hager, by marking your proxy card appropriately, executing it in the space provided, dating it and returning it prior to the start of the annual general meeting on May 15, 2009 either to:

Transocean Ltd.
Vote Processing
c/o Broadridge
51 Mercedes Way
Edgewood, NY 11717

or, if granting a proxy to the independent representative
Rainer Hager
Attorney-at-Law and Notary
Schweiger Advokatur/Notariat
Dammstrasse 19
CH-6300
Zug, Switzerland

Proxies granted to Transocean Ltd. will not be exercised by an executive officer or director of Transocean Ltd. at the annual general meeting.

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Please sign, date and mail your proxy card in the envelope provided. If you hold your shares in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee when voting your shares.

Under New York Stock Exchange rules, brokers who hold shares in street name for customers have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners, but are precluded from exercising their voting discretion with respect to proposals for "non-routine" matters. Proxies submitted by brokers without instructions from customers for these non-routine matters are referred to as "broker non-votes." The proposal to approve the Long-Term Incentive Plan of Transocean Ltd. (as amended and restated effective as of February 12, 2009) and the proposal to approve the share repurchase program are non-routine matters under New York Stock Exchange rules.

If you were a holder on the record date and have timely submitted a properly executed proxy card and specifically indicated your votes, your shares will be voted as indicated. If you were a holder on the record date and you have timely submitted a properly executed proxy card and have not specifically indicated your votes (irrespective of whether a proxy has been granted to Transocean Ltd. or the independent representative), your shares will be voted in the manner recommended by the Board of Directors.

There are no other matters that the Board of Directors intends to present, or has received proper notice that others will present, at the annual general meeting. If any other matters are properly presented at the meeting for consideration, Transocean Ltd. and the independent representative, as applicable, will, in the absence of specific instructions to the contrary, vote any proxies submitted to them on these matters in the manner recommended by the Board of Directors.

You may revoke your proxy card at any time prior to its exercise by:

giving written notice of the revocation to our Corporate Secretary at Transocean Ltd., P.O. Box 10342, 70 Harbour Drive, 4th Floor, Grand Cayman, KY1-1003, Cayman Islands, with respect to proxies granted to Transocean Ltd., or to the independent representative at the address set forth above, with respect to proxies granted to the independent representative;

appearing at the meeting, notifying our Corporate Secretary, with respect to proxies granted to Transocean Ltd., or the independent representative, with respect to proxies granted to the independent representative, and voting in person; or

properly completing and executing a later-dated proxy and delivering it to our Corporate Secretary or the independent representative, as applicable, at or before the meeting.

Your presence without voting at the meeting will not automatically revoke your proxy, and any revocation during the meeting will not affect votes previously taken. If you hold your shares in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee in revoking your previously granted proxy.

We may accept a proxy by any form of communication permitted by Swiss law and our articles of association. Please note that shareholders attending the annual general meeting in person or by proxy are required to show their admission card on the day of the annual general meeting. In order to determine attendance correctly, any shareholder leaving the annual general meeting early or temporarily is requested to present such shareholder's admission card upon exit.

Background of Transocean

In November 2007, we completed our merger transaction (the "Merger") with GlobalSantaFe Corporation ("GlobalSantaFe"). Immediately prior to the effective time of the Merger, each of Transocean Inc.'s outstanding ordinary shares was reclassified by way of a scheme of arrangement under Cayman Islands law into (1) 0.6996 Transocean Inc. ordinary shares and (2) \$33.03 in cash (the

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"Reclassification"). At the effective time of the Merger, each outstanding ordinary share of GlobalSantaFe was exchanged for (1) 0.4757 Transocean Inc. ordinary shares (after giving effect to the Reclassification) and (2) \$22.46 in cash.

In December 2008, Transocean Ltd. completed a transaction pursuant to an Agreement and Plan of Merger among Transocean Ltd., Transocean Inc., which was our former parent holding company, and Transocean Cayman Ltd., a company organized under the laws of the Cayman Islands that was a wholly-owned subsidiary of Transocean Ltd., pursuant to which Transocean Inc. merged by way of schemes of arrangement under Cayman Islands law with Transocean Cayman Ltd., with Transocean Inc. as the surviving company (the "Redomestication Transaction"). In the Redomestication Transaction, Transocean Ltd. issued one of its shares in exchange for each ordinary share of Transocean Inc. In addition, Transocean Ltd. issued 16 million of its shares to Transocean Inc. for future use to satisfy Transocean Ltd.'s obligations to deliver shares in connection with awards granted under our incentive plans, warrants or other rights to acquire shares of Transocean Ltd. The Redomestication Transaction effectively changed the place of incorporation of our parent holding company from the Cayman Islands to Zug, Switzerland. As a result of the Redomestication Transaction, Transocean Inc. became a direct, wholly-owned subsidiary of Transocean Ltd. In connection with the Redomestication Transaction, we have also relocated our principal executive offices to Vernier, Switzerland.

References to "Transocean," the "Company," "we," "us" or "our" include Transocean Ltd. together with its subsidiaries and predecessors, unless the context requires otherwise.

PROPOSAL 1.

Approval of the 2008 Annual Report, the Consolidated Financial Statements of Transocean Ltd. for Fiscal Year 2008 and the Statutory Financial Statements of Transocean Ltd. for Fiscal Year 2008

Proposal

The Board of Directors proposes that the 2008 Annual Report, the consolidated financial statements of Transocean Ltd. for fiscal year 2008 and the Swiss Statutory Financials be approved.

Explanation

The consolidated financial statements of Transocean Ltd. for fiscal year 2008 and the Swiss Statutory Financials are contained in the 2008 Annual Report, which was made available to all registered shareholders with this invitation and proxy statement. In addition, these materials will be available for physical inspection at Transocean Ltd.'s registered office c/o Reichlin & Hess Rechtsanwälte, Hofstrasse 1A, 6300, Zug, Switzerland. The 2008 Annual Report also contains the report of Ernst & Young Ltd., Zurich, Transocean Ltd.'s auditors pursuant to the Swiss Code of Obligations, and information on our business activities and our business and financial situation.

Due to the short period of time (12 days) between Transocean Ltd. becoming the parent company of Transocean Inc. and its subsidiaries and the December 31, 2008 end of the business year, no Swiss statutory audit opinion has been issued on the consolidated accounts as of December 31, 2008. However, the consolidated accounts of Transocean Ltd. and its subsidiaries, as presented in Transocean Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2008 (the "Form 10-K") filed with the U.S. Securities and Exchange Commission (the "SEC"), are in substance and materially the same as required under Swiss law. The audit of the financial statements of Transocean Ltd. and its subsidiaries included in the Form 10-K was performed in accordance with standards of the Public Company Accounting Oversight Board (United States). As such, this audit was not less comprehensive than that which would be required for an audit performed in accordance with Swiss law and Swiss auditing standards.

Under Swiss law, the 2008 Annual Report and the consolidated financial statements and Swiss Statutory Financials must be submitted to shareholders for approval at each annual general meeting.

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If the shareholders do not approve this proposal, the Board of Directors may call an extraordinary general meeting of shareholders for reconsideration of this proposal by shareholders.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "FOR" approval of the 2008 Annual Report, the consolidated financial statements and the Swiss Statutory Financials.

PROPOSAL 2.

Discharge of the Board of Directors and Executive Officers from Activities during Fiscal Year 2008

Proposal

The Board of Directors proposes that shareholders discharge the members of the Board of Directors and our executive officers from liability for activities during fiscal year 2008.

Explanation

As is customary for Swiss corporations and in accordance with article 698, para. 2, item 5 of the Swiss Code of Obligations, shareholders are requested to discharge the members of the Board of Directors and our executive officers from liability for their activities during fiscal year 2008. This release is only effective with respect to facts that have been disclosed to shareholders and binds shareholders who either voted in favor of the proposal or who subsequently acquired shares with knowledge of the resolution.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions and not counting the votes of any member of the Board of Directors or any Transocean executive officers.

Recommendation

The Board of Directors recommends a vote "FOR" the proposal to discharge the members of the Board of Directors and our executive officers from liability for activities during fiscal year 2008.

Table of Contents**PROPOSAL 3.****Appropriation of Retained Earnings Without Payment of a Dividend
and Release of Additional Paid-In Capital to Other Reserves****Proposal**

The Board of Directors proposes that (A) no dividend be distributed with respect to the available retained earnings for fiscal year 2008, (B) the available retained earnings be carried forward, and (C) CHF 3.5 billion of legal reserves (additional paid-in capital) be released and allocated to other reserves.

Appropriation of Available Retained Earnings	
<i>(in millions)</i>	
Profit for the fiscal year 2008 as per the statutory income statement	CHF0
Appropriation to general statutory reserves	CHF0
Proposed dividend	CHF0
Appropriation to other reserves	CHF0
Total appropriation	CHF0
Proposed Release of Legal Reserves (Additional Paid-in Capital) to Other Reserves	
<i>(in millions)</i>	
Additional paid-in capital as of December 31, 2008	CHF11,448
Release to other reserves	CHF 3,500
Remaining additional paid-in capital	CHF7,948

Explanation

Under Swiss law, the appropriation of retained earnings as set forth in the Swiss Statutory Financials must be submitted to shareholders for approval at each annual general meeting. The retained earnings at the disposal of Transocean shareholders at the 2009 annual general meeting are the earnings of Transocean Ltd., the Transocean group parent company, on a stand-alone basis.

Under Swiss law, dividends may be paid out only if Transocean Ltd. has sufficient distributable profits from the previous fiscal year, or if Transocean Ltd. has Other Reserves (as set forth in the Swiss Statutory Financials), which are freely distributable reserves. Distributable profits are determined based on the Swiss Statutory Financials and, because Transocean Ltd. is a holding company, will in most years consist largely of distributions from subsidiaries of Transocean Ltd. to Transocean Ltd. Transocean Ltd. had no operating subsidiaries prior to the consummation of the Redomestication Transaction on December 18, 2008 and received no distributions from its direct subsidiaries after that date. Transocean Ltd. had earnings of CHF 45,000 during the period from December 18, 2008 through December 31, 2008.

The Board of Directors proposes that this CHF 45,000 be carried forward as freely available reserves rather than paid as a dividend.

Transocean may only repurchase shares if and to the extent that sufficient Other Reserves are available. As of December 31, 2008, Transocean Ltd. had approximately CHF 11.5 billion of additional paid-in capital, CHF 3.5 billion of which the Board of Directors proposes to release to Other Reserves to permit share repurchases.

If the shareholders approve this proposal and Proposal 4 relating to our share repurchase program, the Board of Directors will retain the flexibility to determine if a return of cash to shareholders is appropriate given our ongoing capital requirements, the price of our shares, regulatory considerations, cash flow generation, the relationship between our contractual backlog and debt, general market conditions and other factors. By contrast, the approval of a dividend by shareholders of a Swiss corporation

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typically requires the subsequent payment of that dividend without allowing the Board of Directors further discretion to make a subsequent determination whether such dividend is still advisable. The Board of Directors favors this greater flexibility associated with share repurchases compared to dividends. Accordingly, the Board of Directors is proposing that CHF 3.5 billion of additional paid-in capital set forth in the Swiss Statutory Financials as part of Legal Reserves be released to Other Reserves, the availability of which is necessary to implement the proposed share repurchase program described under Proposal 4.

Required Vote

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "FOR" this proposal.

PROPOSAL 4.

Approval of Share Repurchase Program

Proposal

The Board of Directors proposes approval of the following resolution:

"The Board of Directors is hereby authorized to repurchase up to CHF 3.5 billion of Transocean Ltd. registered shares. These shares are to be cancelled upon shareholder approval at future annual general meetings of shareholders and are thus not subject to the 10% threshold for Transocean Ltd. holding its "own shares" within the meaning of article 659 of the Swiss Code of Obligations. The necessary amendment of our articles of association (decrease in the registered share capital) shall be submitted to future annual general meetings of shareholders."

Explanation

If shareholder approval of the repurchase of shares for cancellation is obtained, shares repurchased on the basis of that shareholder resolution will not be subject to the statutory provision of Swiss law that prohibits a company from holding more than 10% of its own shares.

The Board of Directors believes the future repurchase of shares for cancellation is advisable, to the extent that market conditions, our financial condition and other factors so permit, in order to return excess cash to shareholders. The Board of Directors thus proposes that the annual general meeting authorize the repurchase of up to CHF 3.5 billion of Transocean Ltd. registered shares (approximately U.S.\$2.95 billion based on an exchange rate as of the close of trading on February 20, 2009 of U.S.\$1.00 to CHF 1.1864). The Board of Directors is therefore seeking shareholder approval to provide the Company with the flexibility to repurchase shares at any time after the annual general meeting. The recommendation of the Board of Directors that shareholders approve this repurchase program at the annual general meeting was announced on February 16, 2009. For the Board of Directors to be permitted to carry out a share repurchase program as proposed, it is a prerequisite that the shareholders approve at the annual general meeting the release of CHF 3.5 billion of legal reserves (additional paid-in capital) to other reserves in accordance with Proposal 3.

If the share repurchase program is approved by the shareholders, there can be no assurance that any shares will actually be repurchased in the near term after the annual general meeting, or at all, and the repurchase program may be suspended or discontinued at any time. The Board of Directors would be permitted to delegate its share repurchase authority to Company management to repurchase shares under the share repurchase program.

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The Board of Directors or Company management, as applicable, may decide, based upon general market conditions, the relationship between the Company's contractual backlog and debt, cash flow generation, the Company's ongoing capital requirements, the price of the Company's shares, regulatory considerations, and other factors, that the Company should retain cash, reduce debt, make capital investments or otherwise use cash for general corporate purposes, and consequently repurchase fewer shares or not repurchase any shares. Decisions regarding the amount, if any, and timing of any share repurchases would be made from time to time based upon the factors set forth above.

The Board of Directors believes approval of the share repurchase program will permit flexibility with respect to capital management. The Board of Directors expects that any repurchases would take place using the "virtual second trading line" process described below; however, repurchases could also be made by tender offer, in privately negotiated purchases, in open market transactions or by any other share repurchase method.

The Board of Directors has decided to proceed in two stages, with the shareholders voting on the authorization of share repurchases at this annual general meeting and obtaining the required vote on the definitive cancellation of the shares at subsequent annual general meetings. The shareholders will decide on the definitive cancellation of the shares purchased pursuant to the repurchase program at future annual general meetings. The benefit of this procedure is that by obtaining shareholders' approval for the future cancellation of the repurchased shares at this annual general meeting, these shares no longer fall under the statutory limit of Swiss law which prohibits companies from holding more than 10% of their own shares.

Under present Swiss tax law, repurchases of shares for the purposes of capital reduction are treated as a partial liquidation subject to 35% Swiss withholding tax. In most instances, Swiss companies listed on the SIX Swiss Exchange, or SIX, carry out share repurchase programs through a "second trading line" on the SIX. Swiss institutional investors typically purchase shares from shareholders on the open market and then sell the shares on this second trading line back to the company. The Swiss institutional investors are generally able to receive a full refund of the withholding tax. Due to, among other things, the time delay between the sale to the company and the institutional investors' receipt of the refund, the price companies pay to repurchase their shares has historically been slightly higher (but less than 1.0%) than the price of such companies' shares in ordinary trading on the SIX first trading line.

We are not able to use the SIX second trading line process to repurchase our shares because our shares are not listed on the SIX. We do, however, intend to follow an alternative process or "virtual second trading line" whereby we expect to be able to repurchase our shares in a manner that should allow Swiss institutional market participants selling the shares to us to receive a refund of the Swiss withholding tax and, therefore, accomplish the same purpose as share repurchases on the second trading line at substantially the same cost to us and such market participants as share repurchases on an SIX second trading line.

Required Vote

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the annual general meeting, not counting abstentions or broker nonvotes.

Recommendation

The Board of Directors recommends a vote "FOR" this proposal.

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PROPOSAL 5.

Approval of the Long-Term Incentive Plan of Transocean Ltd.

Proposal

Our Board of Directors has adopted a resolution to submit to a vote of our shareholders a proposal to amend and restate our Long-Term Incentive Plan to (1) increase the number of shares available for the granting of awards under the plan and adopt fungible share counting ratios for different forms of awards, (2) remove the plan provision that automatically accelerated vesting upon a change of control, (3) for purposes of Section 162(m) of the U.S. Internal Revenue Code ("Code"), update and obtain approval of the performance goals related to performance-based awards under the plan that are intended to qualify as deductible performance-based compensation and increase the associated annual limitation on performance-based cash awards from \$2 million to \$5 million, (4) reflect the assumption of the plan by Transocean Ltd. in connection with the Redomestication Transaction and make associated changes to take into account that our parent company is now a Swiss corporation, (5) remove all provisions permitting supplemental tax gross-up payments from the plan, (6) expressly disallow repricing of awards without shareholder approval, (7) modify the method of share counting to reduce the number of available shares by the number of shares withheld to satisfy the exercise price or tax withholding obligations relating to an award, (8) remove the plan provision limiting the number of shares available for awards to outside directors, and (9) make other compliance, administrative, clarifying and updating changes. Throughout this proposal and description of the Long-Term Incentive Plan, we refer generally to the Long-Term Incentive Plan as the "plan" and may distinguish the versions of the plan by referring to the plan prior to shareholder approval as the "Existing Plan," and the plan as amended and restated as the "Amended and Restated Plan."

As of December 31, 2008, 7,654,211 authorized shares remained issuable under the Existing Plan (assuming all outstanding awards vest and are exercised, including all contingent, performance-based awards), including only 3,021,842 shares that can be issued as restricted shares or deferred units and 132,949 shares that can be awarded to outside directors. The Amended and Restated Plan increases the number of shares that may be issued under the plan (the "Available Shares") from 22,900,000 to 35,900,000 and institutes fungible share counting ratios, both of which are discussed in more detail below. If our shareholders do not approve the Amended and Restated Plan, the terms of the Existing Plan will continue to be in effect.

The last reported sales price for our shares as reported on the New York Stock Exchange on March 31, 2009 was \$58.84 per share.

Explanation of Principal Provisions of the Long-Term Incentive Plan

The following summary of the Amended and Restated Plan is qualified by reference to the full text of the proposed Amended and Restated Plan, which is attached as Appendix A to this proxy statement.

Our officers are eligible to participate in the plan, as are employees of our company and our subsidiaries, and employees of partnerships or joint ventures in which we and our subsidiaries have a significant ownership interest, as determined by the Executive Compensation Committee of our board of directors. Our outside directors are also eligible to participate in the plan. As of February 12, 2009, approximately 1,157 officers, employees and outside directors were eligible to participate in the plan, of which 1,129 (including all of our outside directors) have received awards under the plan.

With respect to awards to employees, the plan is administered by the Executive Compensation Committee of our Board of Directors. We believe that all of the members of this committee are currently "non-employee directors" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 and "outside directors" within the meaning of Section 162(m) of the Code. The Committee will administer the plan and will have the authority to interpret and amend the plan, adopt administrative regulations for

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the operation of the plan and determine and amend the terms of awards to employees under the plan. The Committee may delegate functions with respect to awards under the plan, but no such delegation may extend to awards granted to executive officers. The Committee has authorized Mr. Long, our Chief Executive Officer, to award under the plan restricted shares, restricted units or deferred units to recently hired employees of the company, excluding senior vice presidents and above and Section 16 insiders of the company, not to exceed 100,000 restricted shares, restricted units or deferred units in the aggregate per calendar year. The Existing Plan was designed to permit awards that satisfy the requirements of Section 162(m) of the Code, and the Amended and Restated Plan was also designed to, after approval by shareholders, permit awards that satisfy the requirements of Section 162(m) of the Code, as applicable to limitations on deductions of compensation expenses in excess of \$1 million for certain executive officers.

Our Board of Directors administers the plan with respect to awards to eligible outside directors. Our Board of Directors exercises similar authority and discretion with respect to awards to eligible outside directors as the Committee exercises with respect to awards to employees.

Under the plan, options to purchase shares, share appreciation rights in tandem with options, freestanding share appreciation rights, restricted shares, deferred units, cash awards and performance awards may be granted to employees at the discretion of the Committee. With the exception of cash awards, these same awards may be granted to outside directors at the discretion of our Board of Directors.

The Amended and Restated Plan increases the number of Available Shares from 22,900,000 to 35,900,000. The shares issued under the plan may be shares issued from authorized capital or conditional capital or shares held in treasury (including shares held by any one of our subsidiaries). The Amended and Restated Plan also institutes fungible share counting ratios. Pursuant to the fungible share counting ratios, each share issued in settlement of an award of options or share appreciation rights at any time shall reduce the Available Shares by one full share, and each share issued in settlement of an award of restricted shares or deferred units (including those designated as performance awards) granted under the Amended and Restated Plan on or after the date of shareholder approval of the Amended and Restated Plan will reduce the Available Shares by 1.68 shares. Each share issued in settlement of an award of restricted shares or deferred units granted under the Existing Plan prior to such date will continue to reduce the Available Shares by one full share.

Lapsed, forfeited or canceled awards, including options canceled upon the exercise of tandem share appreciation rights, will not count against the Available Shares and can be regranted under the plan. Shares that are delivered under the plan as an award or in settlement of an award issued or made (1) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an entity acquired in a merger or other acquisition or (2) as a post-transaction grant under such plan or arrangement of an acquired entity will not count against the Available Shares (to the extent that the exemption for transactions in connection with mergers or acquisitions from the shareholder approval requirements of the New York Stock Exchange for equity compensation plans applies). Following approval of the Amended and Restated Plan by shareholders, the Available Shares will be reduced by (a) the total number of options or share appreciation rights exercised, regardless of whether any of the shares are not actually issued as the result of a net settlement, (b) any shares used to pay any exercise price or tax withholding obligation with respect to any award and (c) any shares repurchased on the open market with the proceeds of an option exercise price.

No participant may be granted options, share appreciation rights, restricted shares or deferred units, or any combination of the foregoing, with respect to more than 600,000 shares in any fiscal year. No employee may receive a payment for cash awards made under the plan during any calendar year in an amount that exceeds \$5 million.

The Committee (or the Board, with respect to outside directors) determines, in connection with each option awarded to a participant, the exercise price, whether that price is payable in cash, shares or by cashless exercise, the terms and conditions of exercise, restrictions on transfer of the option, and other

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provisions not inconsistent with the plan. With respect to options awarded to employees, the Committee also determines whether the option will qualify as an incentive stock option under the Code, or a non-qualified option. The Committee (or the Board, with respect to ou