

**Pride International, Inc.**  
**Audit Committee Policy on Handling of Accounting- and**  
**Audit-Related Complaints**

**PURPOSE:**

The charter of the Audit Committee of Pride International, Inc. (the “Company”), following the directive of Section 301 of the Sarbanes-Oxley Act of 2002, Section 10A of the Securities Exchange Act of 1934 and Rule 10A-3 promulgated thereunder provides that the Audit Committee will establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

This policy establishes standards and procedures to ensure that handling of accounting, internal control and audit-related complaints and concerns complies with the objectives of the Audit Committee and management the Company.

**SCOPE:**

The policy applies to all domestic and international offices and subsidiaries of the Company.

**PROCEDURES:**

**A. Responsibilities of Audit Committee With Respect to Specified Complaints**

1. The Audit Committee will receive, retain, investigate and act on complaints and concerns of employees and others regarding questionable accounting, internal accounting controls and auditing matters, including without limitation those regarding the circumvention or attempted circumvention of internal accounting controls, the manipulation of financial results by management or employees, the misleading of internal or external auditors, fraud, theft or other matters that would otherwise constitute a violation of the Company’s accounting policies (an “Accounting Concern”), according to the procedures set forth herein.

2. Matters relating to any of the following partial list of categories of Accounting Concerns can be handled through this policy:

- Accounting
- Accounting systems
- Internal audit
- Harassment of accounting and internal audit personnel
- Disagreements between auditors (internal or external) and management
- Disputes relating to accounting and reporting
- Illegal acts that may require disclosure
- Taxes
- Price fixing
- Fraudulent billing
- Theft
- Illegal loans to officers or directors
- Uninsured risks
- Unacknowledged liabilities
- Undisclosed related party transactions
- Conflicts of interest
- Internal control
- Bribes

**B. Procedures for Submitting Accounting Concerns**

1. The Company will maintain an “Ethics Hotline” for the purpose of facilitating the receipt, coding and reporting of Accounting Concerns to the Audit Committee and the Company. The Hotline will provide a mechanism for submission of Accounting Concerns on a confidential and anonymous basis via telephonic, web-based and ordinary mail processes.
2. The Hotline service provider will have the capability to process and sort complaints and concerns received into those that constitute Accounting Concerns for the attention of the Audit Committee and those that do not.
3. Any employee of the Company may submit in good faith an Accounting Concern the employee reasonably believes to be true. Employees may submit complaints and concerns by any of the following means:
  - a. Contacting the Hotline on a confidential and, if desired, anonymous basis by telephone, website or ordinary mail, according to the procedures established by the Company and communicated to its employees.
  - b. Mailing or delivering a written statement to the Chairman of the Audit Committee, in care of the Corporate Secretary, to the Company’s

headquarters at 5847 San Felipe, Suite 3300, Houston, Texas, 77057, in a sealed envelope labeled with a legend such as: “Confidential: To be opened by the Audit Committee only.” If an employee would like to discuss any matter personally with the Audit Committee, the employee should indicate this in the submission and include a telephone number or e-mail address at which he or she might be contacted if the Audit Committee deems it appropriate. Any such envelopes received by the Corporate Secretary will be forwarded promptly and unopened to the Chairman of the Audit Committee.

c. Reporting the Accounting Concern on a non-anonymous basis according to the procedures in the Company’s Code of Business Conduct and Ethical Practices.

4. The Audit Committee recognizes that employees and other parties may also report Accounting Concerns to the Committee or the Company through means other than those described in Section B.3 above.
5. Management will maintain procedures to collect, record and promptly forward to the Audit Committee any reported Accounting Concerns not submitted directly to the Committee through the Hotline or otherwise.

### **C. Procedures for Handling Accounting Concerns**

1. The Audit Committee will record and review each Accounting Concern received. If necessary, the Audit Committee will convene a special meeting to address complaints deemed to be significant. Significant complaints include those that relate to a potential significant illegal act, material misstatement of the Company’s financial statements, significant fraud or any matter involving one of the Company’s executive officers. The Audit Committee, in making such review, may in its discretion consult with any member of management or any employee or outside advisor that it believes would have appropriate expertise or information to assist the Audit Committee. The Audit Committee will determine whether an inquiry or investigation into the Accounting Concern should be conducted and, if so, whether the Audit Committee or management should conduct such inquiry or investigation, taking into account the considerations set forth in Section D. below.
2. If the Audit Committee determines that it should conduct an inquiry or investigation into the Accounting Concern, the Audit Committee will notify the Compliance Officer in writing of that conclusion. For the purposes of this policy, unless otherwise designated by the Committee, the “Compliance Officer” shall be the office of the General Counsel of the Company. The Audit Committee will promptly undertake an inquiry or investigation according to the procedures it deems appropriate or advisable under the circumstances. The Audit Committee will be free in its discretion to engage outside auditors,

counsel or other experts to assist in the inquiry or investigation and in the analysis of results.

Following its inquiry or investigation, the Audit Committee may direct the Company to take appropriate corrective and disciplinary action, which may include, without limitation, any or a combination of the following: reprimand; demotion; loss of merit pay increase, bonus or equity awards; suspension without pay; or termination of employment.

3. If the Audit Committee determines that management should conduct the inquiry or investigation, the Audit Committee will notify the Compliance Officer of that conclusion. Management will thereafter promptly undertake an inquiry or investigation according to the procedures it deems appropriate or advisable under the circumstances and will report the results of its inquiry or investigation to the Audit Committee. Management will be free in its discretion to engage outside auditors, counsel or other experts to assist in the inquiry or investigation and in the analysis of results.
4. The Compliance Officer will maintain a record of each Accounting Concern received, the status of any inquiry or investigation conducted and the final disposition of such matter. Such records will be retained as part of the books of the Audit Committee maintained by the Corporate Secretary in accordance with the Company's document retention policy.
5. All Accounting Concerns received, all active investigations and the disposition of completed or closed inquiries and investigations since the prior meeting will be summarized by the Compliance Officer and discussed at regularly scheduled Audit Committee meetings at least once per quarter.
6. Following final disposition of an Accounting Concern, the Compliance Officer will exercise reasonable efforts to notify the complainant of such disposition, either directly or through the Hotline service provider.

**D. Considerations Relative to Whether the Audit Committee or Management Should Conduct an Inquiry into an Accounting Concern**

In determining whether management or the Audit Committee should conduct an inquiry or investigation into an Accounting Concern, the Audit Committee will consider, among any other factors that are appropriate under the circumstances, the following:

1. Who is the alleged wrongdoer? If an executive officer, senior financial or accounting officer or other high management official is alleged to have engaged in wrongdoing, that factor alone may militate in favor of the Audit Committee conducting the inquiry or investigation.

2. How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the Audit Committee should undertake the inquiry or investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of the Company, that factor alone may militate in favor of the Audit Committee conducting the inquiry or investigation.
3. How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the Audit Committee should undertake the investigation. In assessing credibility, the Audit Committee should consider all facts surrounding the allegation, including but not limited to whether similar allegations have been made in the press or by analysts.

**E. Protection of Complainants**

The Company will not penalize or retaliate against any employee, and will not tolerate any such action by management or any other person or group for making an Accounting Concern in good faith, reasonably believing the same to true, or providing assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, inquiring about or investigating an Accounting Concern. The Audit Committee will not reveal the identity of any person who reports a good faith Accounting Concern and who asks that his or her identity as the person who reported such Accounting Concern remain confidential and will not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of any person who makes a good faith Accounting Concern anonymously.

**F. Employee Communication**

The Company will post relevant information concerning this policy and the procedures for submitting Accounting Concerns on the Company's website. In addition, the Company will notify employees of the Hotline system and reporting procedures by means reasonably designed to create and maintain widespread awareness of the system.

Approved by the Audit Committee: February 23, 2006