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## Anti-Corruption & Anti-Bribery Policy

### I. PURPOSE

It is the policy of National Oilwell Varco (“NOV”) that NOV and its subsidiaries and affiliates (collectively referred to as the “Company”) and all directors, officers, employees, agents, representatives, joint venture partners, and others working on behalf of the Company shall comply fully with all anti-corruption and anti-bribery laws that are applicable to them which may include the U.S. Foreign Corrupt Practices Act of 1977, as amended (“FCPA”), the U.K. Bribery Act 2010 (“UKBA”), and all other anti-bribery and anti-corruption laws applicable to the Company (collectively referred to as “Anti-Corruption/Anti-Bribery” laws or “ACAB” laws). This Policy summarizes some of the key provisions of ACAB laws and outlines the procedures to be followed by the Company and their directors, officers, employees, agents, representatives, joint venture partners, and others working on behalf of the Company.

### II. BACKGROUND

It is important for all individuals involved in international business to understand and comply with ACAB laws which are applicable to them. Improper payments are against NOV policy regardless of the identity of the recipient. Some laws focus on the identity of the recipient. For example, under the FCPA, making an improper payment to a “Government Official”<sup>1</sup> may increase the penalties and fines that NOV and/or the individual who made the improper payment might receive. Companies that have paid bribes have been the subject of criminal and civil enforcement actions, resulting in large fines and restrictions on doing business with various governments. ACAB laws also carry penalties for individuals and many individuals have paid large fines and/or gone to jail as a result of ACAB law violations. **Any bribe or other improper payment to any person is strictly forbidden by this Policy.**

### III. APPLICABILITY

This Policy applies to all directors, officers, employees, agents, representatives, joint venture-partners, and others working on behalf of the Company worldwide.

### IV. ANTI-CORRUPTION/ANTI-BRIBERY LAW PROVISIONS

ACAB laws and this Policy prohibit the improper giving (or offering, promising, or authorizing the payment of) anything of value to any person or entity in order to obtain or retain business or to obtain a business advantage. When considering ACAB laws and their requirements, keep in mind the following:

1. **Applicability of ACAB Laws** — U.S. companies, U.S. entities, and U.S. persons are subject to the FCPA’s anti-bribery provisions even when operating outside the U.S. In addition, non-U.S. persons are subject to these provisions to the extent they carry out any part of any prohibited activity in the U.S. and the actions of non-U.S. persons may subject a U.S. entity to liability. Moreover, various U.S. laws broadly prohibit bribery of any person. The UKBA’s applicability is focused on UK entities, individuals, and conduct. Most other countries in which NOV conducts business also have their own ACAB Laws which must also be

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<sup>1</sup> The FCPA defines “Government Official” to include any individual holding an official government position, or having any duties, including consulting or ceremonial, or any employment relationship, for any government, government department, agency or instrumentality (including any government-owned or government-controlled commercial enterprise, such as a government-controlled oil company). The term also includes any public international organization, political party or candidates for political office, and any person otherwise categorized as a government official under a local law.



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followed when applicable. **This Policy applies to all directors, officers, employees, agents, representatives, joint venture partners, and others working on behalf of the Company worldwide.**

2. **Corruption/Bribery** — Most countries where NOV operates also have laws, regulations, ordinances, and/or rules that have been enacted to eliminate corruption and bribery. These ACAB laws prohibit any improper payment(s) to any person. They prohibit the receiving, offering, promising, authorizing, directing, or making of any bribe, kickback, and payment of money or anything else of value, to improperly obtain or retain business, or any other advantage, for a company and/or yourself.
3. **Anything of Value** — “Anything of value” has been broadly interpreted by enforcement authorities to include items other than money, including but not limited to entertainment, travel, gifts, favors, charitable donations, educational placement, business opportunities, tax advantages, and employment (which may in certain circumstances include unpaid positions).
4. **Improper Purpose** — ACAB laws prohibit payments or transfers of things of value made for an improper purpose such as to assist in obtaining or retaining business for or with, or directing business to any person or company, or to obtain a business advantage. This “improper purpose” analysis has been interpreted broadly to include not just bribes paid to obtain business or a contract, but also bribes paid to obtain any other advantage, such as the reduction of taxes or customs duties. Thus, any bribe or corrupt transfer of anything of value is likely prohibited by ACAB laws.
5. **A Bribe Does Not Have To Be Successful** — An improper or corrupt act does not have to be successful for there to be a violation – even the offer or promise of a corrupt payment can violate ACAB laws.
6. **Indirect Payments and “Knowledge”** — ACAB laws also prohibit *indirect* payments or transfers of anything of value made through an agent, sales representative, consultant, joint venture partner, or other third party when there is “knowledge” or belief that the payment or thing of value will be used to corruptly influence the ultimate recipient to obtain or retain business or a business advantage. A company or individual could be found to have “knowledge” if the company or individual knows or is “willfully blind” to the high probability that the payment or thing of value will be used to influence corruptly the ultimate recipient. Accordingly, it is important for the Company to conduct appropriate due diligence on agents and other third parties who will act on the Company’s behalf. Under the UKBA, NOV could be held strictly liable for indirect payments made by its representatives; meaning that even without a finding of “knowledge”, as required by some ACAB laws, NOV could be found to have violated the law.

### V. **FCPA ACCOUNTING PROVISIONS**

The FCPA requires companies whose stock is publicly traded in the U.S. (such as NOV) to make and keep books and records which in reasonable detail accurately and fairly reflect corporate transactions, as well as to maintain a system of internal controls sufficient to provide reasonable assurances that transactions are properly executed and recorded and that assets are appropriately accounted for. Accordingly, this Policy requires that all Company transactions be accurately and fairly recorded and reflected in the Company’s books and records and that those books and records be properly maintained.



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### VI. ACAB COMPLIANCE GUIDELINES

#### Prohibited Payments

NOV strictly prohibits all directors, officers, employees, agents, representatives, joint venture partners, and others working on behalf of the Company from giving, offering, promising, authorizing, or receiving a payment or anything of value to **any person** to obtain or retain business or a business advantage. This Policy also prohibits the improper **indirect** payment or transfer of anything of value to obtain or retain business or a business advantage through the use of third parties.

#### Prohibited Payments — Facilitating Payments for Routine Governmental Actions

“Facilitating” or “expediting” payments are payments made to individual government officials to speed up or secure routine and non-discretionary government actions, such as processing a visa or scheduling an inspection by a government official. Although the FCPA provides that such payments may be permissible in certain circumstances, if they are properly reflected in the Company’s books and records, other ACAB laws do not allow such payments. **Accordingly, it is NOV’s policy to prohibit facilitation payments.**

Expedited services that are offered by the government to process a request or perform a service for a higher fee as an alternative to the normal processing time are not Facilitation Payments (and therefore are not prohibited by this Policy) when the following conditions are met: (1) the fee at issue is a government approved and published fee; (2) the fee is paid to the government’s treasury, not to the government official’s pocket; and (3) the employee obtains and retains an official government receipt listing the expedited fee.

The safety and wellbeing of our employees is our number one priority. If an employee reasonably believes that he or she is being threatened with violence, imprisonment, or imminent physical harm if a payment is not made, then NOV considers this extortion and the payment can be made. In these rare occasions, the employee must immediately report the incident to their manager, the Local Legal Counsel, and the Compliance Department and that payment must be accurately and completely recorded in NOV’s books and records as a duress payment. It is NOV’s policy that such payments receive careful scrutiny and any payments not meeting this standard as determined by investigation shall not be reimbursed.

#### Anti-Corruption Compliance Due Diligence on Third Parties

Because ACAB laws prohibit **indirect** payments when there is “knowledge” that the payment or thing of value will be used to corruptly influence the ultimate recipient, NOV will conduct appropriate due diligence, as determined by NOV’s Chief Compliance Officer utilizing a risk-based approach, on agents, sales representatives, consultants, suppliers, joint venture partners, and other third parties acting for or on behalf of the Company. NOV also will require, as determined by NOV’s Chief Compliance Officer, that such agents, sales representatives, consultants, suppliers, joint venture partners, and other third parties acting for or on behalf of the Company sign written contracts in which they represent and warrant that they will comply with applicable ACAB laws. It is a violation of this policy for any employee to engage an agent, sales representative, or other third party acting for or on behalf of the company without obtaining approval from NOV’s Compliance Department.



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### **Permissible Payments – Payments for Reasonable and Bona Fide Expenses**

Generally speaking, ACAB laws permit payments, offers, or promises of anything of value that are for reasonable and bona fide expenses, such as for travel or lodging expenses, incurred by or on behalf of any person, if such expenses are directly related to the promotion, demonstration or explanation of products or services or the execution or performance of a contract. Travel or entertainment expenditures will violate ACAB laws where such payments are made “corruptly,” that is, with the intent to wrongfully influence the actions of the recipient. Any travel and entertainment expense not directly related to a business purpose is prohibited.

### **Political Contributions**

No political contribution with money from the Company can be made without obtaining the prior written approval from the Chief Compliance Officer or the General Counsel, even if such contributions are permitted under the written local law of the relevant country.

### **Charitable Contributions**

In order to ensure the legitimacy of the recipient and to avoid potentially improper conflicts of interest, charitable contributions, sponsorships, or in-kind donations from the Company in amounts greater than a nominal value of \$500 must be approved by the Corporate Compliance Department unless the recipient organization is pre-approved through NOV’s Community Investment Program. Contributions of a nominal value less than \$500 do not require pre-approval. NOV employees may solicit companies for donations only when the donation will benefit an approved NOV Community Investment event, it is allowed under the donor’s company policies, and there is no expectation of a quid-pro-quo.

## **VII. NOV EMPLOYEES GIVING GIFTS, ENTERTAINMENT, AND TRAVEL**

All NOV employees must always use good judgment and moderation when offering business gifts or entertainment. While there may be times when it is appropriate to provide reasonable business courtesies in the context of a business relationship, we must avoid potential conflicts of interest and the appearance of impropriety.

### **Giving Business Gifts**

**Giving a business gift is permissible without pre-approval only if all of the following requirements are met:**

1. The gift provided is of nominal value and **does not exceed U.S. \$250 per person**, regardless of the level of the recipient.
2. A gift is not given to the same recipient from anyone at the Company more frequently than twice per year.



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3. The gift is for a reasonable value taking into account NOV's relationship with the recipient, the local customs for gift giving in the country at issue, and all other relevant factors.
4. The gift is not an "Impermissible Gift" under this Policy described below.

The furnishing of tickets/fees to or for an entertainment or sporting event or venue must be regarded as the giving of a gift, unless the recipient is accompanied to the event by a Company employee, in which case the Entertaining Customers section applies.

**Gifts that do not fall within the standards set forth above must be approved in writing prior to presentation by a NOV Vice President or more senior Corporate Officer.** If the gift exceeds \$500 then written approval from the Corporate Compliance Department must also be obtained prior to presentation. NOV Vice Presidents (or more senior Corporate Officers) needing to obtain approval for a gift may obtain written approval from their supervisor. Any such written approvals obtained under this section must be retained for at least five (5) years from the date the gift is made.

**Impermissible Gifts** – The following gifts are never permissible and cannot be approved:

1. Gifts that are illegal under any applicable law and/or that violate the recipient's internal policies (ex. alcohol in some Middle East Countries).
2. Gifts that involve cash, or cash equivalents such as gift cards or debit cards—NOV will not reimburse gift cards given as business gifts.
3. Gifts that are intended to impose a sense of obligation on the recipient or otherwise offered in exchange for a "quid pro quo."
4. Gifts that are not accurately and fully reported and recorded in NOV's books and records.
5. Gifts which are not offered for a legitimate business purpose.

### **Entertaining Customers**

When an NOV employee accompanies a customer to an event to discuss NOV business and build a business relationship, NOV can pay for the reasonable costs associated with attendance. Entertainment would also include NOV hosted events where customers are invited and NOV pays the costs for that event. Meals are also considered entertainment when an NOV employee takes a customer to lunch or dinner. No prior approval is required for incurring reasonable customer entertainment expenses if such entertainment does not violate the customers' Code of Conduct or other Company policies. **Any other entertainment must be pre-approved in writing by both a NOV Vice President or more senior Corporate Officer and by the Corporate Compliance Department.** NOV Vice Presidents (or more senior Corporate Officers) needing to obtain approval for entertainment that falls outside the guidelines of this section may obtain written approval from their



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supervisor. Any such written approvals obtained under this section must be retained for at least five (5) years after the entertainment expenditure is made.

### **Customer Travel Paid for by NOV**

In the course of doing business it may be necessary and proper for NOV to pay for the travel expenses of a customer to visit an NOV facility for a valid business purpose. Some examples of valid business travel include travel required under a contract for the inspection of the goods prior to shipment, to provide product training, to showcase a new product, or similar business reasons. It is NOV's preference that the travel be paid for by NOV directly to the vendor. Alternatively, reimbursement to the individual or entity incurring the expense is allowed when the exact charges incurred by the individual or entity are substantiated with proper documentation. **Reimbursement of travel expenses to a third-party individual must be preapproved in writing by the Corporate Compliance Department.** The travel must be in line with NOV's Travel Policy. The following are prohibited:

1. Travel arrangements (flights and hotels) for layovers in business non-essential locales.
2. Spouse travel arrangements (without consideration to whether such travel arrangements, in aggregate, might be less expensive).
3. Travel for extra days that are not supported by a valid business justification.

### **VIII. NOV EMPLOYEE RECEIVING GIFTS, ENTERTAINMENT, AND TRAVEL**

Please keep your supervisor completely and clearly informed of the meals, gifts, and entertainment, regardless of value, you accept from NOV customers, vendors, suppliers, consultants or any other third-parties doing business or seeking to do business with NOV (collectively referred to as "Third-Parties").

#### **Receiving Business Gifts**

**Receiving a business gift is permissible without pre-approval only if all of the following requirements are met, which are the same standards for giving business gifts:**

1. The gift received is of nominal value and **does not exceed U.S. \$250**, regardless of the level of the recipient.
2. A gift is not received by the same NOV Employee from the same customer more frequently than twice per year.
3. The gift is for a reasonable value taking into account NOV's relationship with the recipient, the local customs for gift giving in the country at issue, and other relevant factors.
4. The gift is not intended to impose a sense of obligation on the recipient or otherwise offered in exchange for a "quid pro quo."



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The furnishing of tickets/fees to or for an entertainment or sporting event or venue are regarded as the giving of a gift, unless the NOV Employee is accompanied to the event by the Third-Party providing the entertainment, in which case the Receipt of Entertainment by NOV Employees section applies.

**Gifts that do not fall within the standards set forth above must be approved promptly and in writing by an NOV Vice President or higher.** If approval is not possible prior to receiving the gift, then written approval must be obtained as soon as possible after receipt. NOV Vice Presidents or more senior Corporate Officers needing to obtain a written approval to receive a gift under this section may obtain the approval from their supervisor. Any written approvals obtained under this section must be retained for five (5) years after the gift is received.

**Impermissible Gifts** – The following gifts are never permissible and cannot be approved for acceptance:

1. The gift is in cash or cash equivalents (ex. gift cards and debit cards).
2. The gift violates local laws or any other applicable law.
3. The gift is not consistent with NOV Policies and Procedures.
4. The gift is solicited (excluding those limited situations when an NOV employee can solicit donations for an approved NOV Community Investment event as set forth above).
5. The gift is expected or intended to impose a sense of obligation on the NOV Employee or otherwise offered in exchange for a “quid pro quo” (i.e., offered for something in return).
6. The gift is not received for a legitimate business purpose.

### **Receipt of Entertainment by NOV Employees**

When a Third-Party accompanies an NOV Employee to an event to discuss NOV business and build a business relationship, the Third-Party can pay for the reasonable costs associated with their attendance. Entertainment would also include Third-Party hosted events where NOV Employees are invited and the Third-Party pays the costs for that event. Meals are also considered Entertainment when a Third-Party takes an NOV Employee to a lunch or dinner. **Prior written approval is required by an NOV Vice President, or higher, when the entertainment expenses can reasonably be estimated to be greater than U.S. \$500.00.** (The dollar amount should be the total for all expenses incurred by the Third-Party including, but not limited to, meals, travel, event tickets, and any other benefits obtained during the event or meal). If approval is not possible prior to receiving the entertainment, then written approval must be obtained as soon as possible after receipt. NOV Vice Presidents or more senior Corporate Officers needing to obtain a written approval to receive entertainment under this section may obtain the approval from their supervisor. Any written approvals obtained under this section must be retained for five (5) years after the gift is received.



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### **NOV Employee Travel Paid for by Third-Parties**

In the course of doing business it may be necessary and proper for Third-Parties to pay for the travel expenses of an NOV Employee to visit the Third-Party's facilities for a valid business purpose. Some examples of valid business travel include travel required under a contract for the inspection of the goods prior to shipment, to provide product training, to showcase a new product, or similar business reasons. It is NOV's preference that the travel be paid for by the Third-Party directly to the vendor. If direct payment is not feasible then the Third-Party may reimburse NOV for the travel expenses. NOV's Employee should incur the expenses on a company credit card, report it through Concur (or your Country's equivalent expense reporting tool), with proper documentation. The NOV invoice will be sent directly to the Third-Party for reimbursement. The travel must be in line with NOV's Travel Policy. The following are prohibited:

1. Travel arrangements (flights and hotels) for layovers in business non-essential locales.
2. Spouse travel arrangements (without consideration to whether such travel arrangements, in aggregate, might be less expensive).
3. Travel for extra days that are not supported by a valid business justification.

Reimbursement of travel expenses directly to an NOV Employee must be preapproved in writing by a NOV Vice President. NOV Vice Presidents or more senior Corporate Officers needing to obtain a written approval to receive travel reimbursement under this section may obtain the approval from their supervisor. Any written approvals obtained under this section must be retained for five (5) years after the gift is received.

### **IX. WRITTEN APPROVALS**

Where this Policy contemplates written approvals, emails will satisfy the requirement. However, the email must be printed and retained or saved in some other format for the time period set forth in this Policy.

### **X. PENALTIES FOR VIOLATIONS**

The penalties for violating ACAB laws can be severe. Significant fines may be assessed to companies and individuals may face jail time in addition to monetary fines. For example, an individual who violates the FCPA anti-bribery provisions may be imprisoned for up to 5 years and is subject to a fine of up to \$250,000 or an alternate fine that could be much greater. An individual who violates the UKBA may be imprisoned for up to ten years and subject to substantial fines. Penalties incurred for violations of the FCPA accounting provisions may also be severe.

In addition to the penalties listed above, any officer or employee of the Company who violates ACAB laws or this Policy will be subject to disciplinary action, up to and including termination for cause. The contracts of any director, agent, representative, or joint venture partners, and others working on behalf of the Company may be terminated for cause if the director, agent, representative or joint venture partner violates any ACAB laws or this Policy. The Company may actively seek to recoup any losses that it incurs as a result of a violation of any of these laws or this Policy from the individual or entity that carried out the prohibited conduct. The Company will not reimburse any fines or penalties for violations of ACAB laws except where required by law or contract and permissible by law.



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### XI. REPORTING VIOLATIONS

If you suspect or believe that a violation of ACAB laws and/or this Policy has occurred, you should immediately report it to NOV's Compliance or Legal Department. These reports may be made anonymously where permitted by law using the Hotline discussed below. NOV provides all employees with several methods to report violations of the Company's Legal and Ethical Standards, including the following:

1. These websites provide a quick and simple reporting process, in your local language.
  - Website reporting: <http://ethicshotline.nov.com> for all employees, worldwide.

2. Call the Ethics Hotline:

- United States .....1.800.676.4380
- United Kingdom .....0.808.134.9875
- Norway .....800.24.876
- Canada .....1.800.532.4380
- Brazil .....0.800.020.1540
- Argentina .....0800.666.0763
- United Arab Emirates .....8000320412
- China .....400.120.8523
- Singapore .....65.31583056
- Mexico .....01.800.681.9201
- Russia .....8.800.301.6978

Phone numbers for all other countries may be found at the websites listed above. (You do not have to give your name<sup>2</sup> and the call will not be recorded. The Ethics Hotline and the websites are operated by an outside company, and provide a confidential option for reporting legal and ethical violations. The Hotline Operator will provide a translator if you do not speak English. A typed report will be sent to the Risk Mitigation Team for investigation.)

3. Email the Risk Mitigation Team at: [risk.mitigation@nov.com](mailto:risk.mitigation@nov.com)

4. Write the Risk Mitigation Team:

- Attn: VP Internal Audit  
National Oilwell Varco  
7909 Parkwood Circle Drive  
Houston, Texas, 77036-6565, USA

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<sup>2</sup>Some EU countries do not allow anonymous reporting and EU reporting is limited to issues related to internal controls in the areas of finance, accounting, banking and anti-corruption.



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The Corporate Risk Mitigation Team is not associated with any particular business unit or group, and will keep your report confidential to the extent practical while investigating the situation. The Corporate Risk Mitigation Team will work with Internal Audit, Legal, Human Resources, the NOV Compliance Group and all levels of Management to appropriately investigate and address all reported violations.

### **XII. TRAINING AND EDUCATION**

NOV has implemented and maintains a program to provide periodic ACAB education and training to all appropriate directors, officers, and employees of the Company including those who: (1) are part of NOV management; (2) work in accounting, sales, purchasing, marketing, or legal; (3) are involved in the selection and/or supervision of agents, representatives, and joint venture partners of the Company; or (4) have control over the Company's funds or have responsibility for recording transactions that impact the Company's books and records.

Although the statutory regimes surrounding ACAB laws can be complex, the U.S. Department of Justice ("DOJ") and the U.S. Securities and Exchange Commission ("SEC"), as well as the UK Ministry of Justice, have released guidance regarding ACAB laws and how to ensure compliance with such laws. Text of the FCPA and UKBA, as well as guidance regarding both laws, can be found at the following links:

<b>Document</b>	<b>Location</b>
FCPA statute	<a href="http://www.justice.gov/criminal/fraud/fcpa/docs/fcpa-english.pdf">http://www.justice.gov/criminal/fraud/fcpa/docs/fcpa-english.pdf</a>
A Resource Guide to the U.S. Foreign Corrupt Practices Act	<a href="http://www.justice.gov/criminal/fraud/fcpa/guidance/guide.pdf">http://www.justice.gov/criminal/fraud/fcpa/guidance/guide.pdf</a>
UK Bribery Act 2010 statute	<a href="http://www.legislation.gov.uk/ukpga/2010/23/contents">http://www.legislation.gov.uk/ukpga/2010/23/contents</a>
The Bribery Act 2010 Guidance about procedures which relevant commercial organizations can put into place to prevent persons associated with them from bribing	<a href="http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf">http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf</a>

These sources must not be used in lieu of direction from the Company's Compliance Department. While the above referenced documents provide helpful guidance, any questions or requests for guidance on this Policy or ACAB laws should be directed to NOV Compliance.

### **XIII. STATEMENT OF COMPLIANCE**

All NOV officers, directors, employees, representatives, agents, joint venture partners, and others working on NOV's behalf shall submit a statement of compliance with ACAB laws as requested.

### **XIV. QUESTIONS**

Please contact an Anti-Corruption Compliance Attorney within the NOV Compliance Department with any questions.