



THE U.S. EXPORT CONTROLS & ECONOMIC SANCTIONS

I. PURPOSE

This policy statement summarizes the applicable provisions of the U.S. Export Controls and Economic Sanctions, including but not limited to those implemented by the Department of Commerce, through its Export Administration Regulations (EAR), and those of the Treasury Department, issued through its Office of Foreign Assets Control (OFAC), and sets forth the procedures to be followed by directors, officers, employees, agents and representatives of National Oilwell Varco Inc. ("NOV") and its subsidiaries and affiliates, including its foreign subsidiaries (collectively referred to as the "Companies"), when confronted with an issue of questionable sales.

II. APPLICABILITY

This policy statement applies to the Company officers, directors, employees, agents, distributors and representatives worldwide.

III. RESPONSIBILITY

The Senior Management of NOV, with the advice of the Legal Department, shall have ultimate responsibility for the implementation of this policy statement and the NOV Economic Sanctions and Export Control Compliance Program. Company Corporate and Business Unit Officers and Managers (hereinafter collectively "Management") are, within their respective segments of the Company, responsible for taking all appropriate steps to ensure compliance with this policy statement, to manage the NOV Economic Sanctions and Export Control Compliance Program within their segments, and to detect and prevent violations of applicable Economic Sanctions and Export Controls.

Management officials are responsible for disseminating this policy statement to all Company personnel who report to them.

IV. POLICIES

Mandatory Compliance

Management is committed to strict compliance with all Economic Sanctions & Export Controls as they apply to the Company and its operations. It shall be a condition of employment that all employees become familiar with and comply with this policy.

The Company, its officers and its employees shall strictly comply in all respects with the Economic Sanctions & Export Controls to the full extent that they are applicable. An overview of Economic Sanctions & Export Controls requirements is set forth in Export Compliance Manual (available on the company intranet).

Economic Sanctions requirements apply to:

- 1) All activities by NOV and subsidiaries and affiliates of NOV, including overseas branches, wherever those activities are undertaken;
- 2) All activities by Company officers and employees who are U.S. citizens or permanent residents, wherever those activities are undertaken; and



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- 3) All Company activities that take place in the United States. In addition, some Economic Sanctions requirements, for example those relating to Cuba, apply not only to U.S. NOV companies but also to non-U.S. entities that are owned or controlled by a U.S. NOV company.

If any Company officer or employee is in doubt about an issue regarding compliance with Economic Sanctions, he or she shall contact the NOV's Legal Department.

Penalties for Noncompliance

Violations of Economic Sanctions & Export Controls can result in criminal prosecution and administrative enforcement actions and severe penalties, both for the Company and for the individuals who are involved, including imprisonment and fines.

Any failure to comply with any applicable Economic Sanctions requirement or any requirement of NOV's Economic Sanctions Compliance Program represents grounds for disciplinary action by the Company, including dismissal.

Compliance Procedures

To the extent that Economic Sanctions & Export Controls apply to the activities of a Corporate or Business Unit, the Management of that Unit shall ensure that there are appropriate procedures to detect and prevent violations of Economic Sanctions & Export Controls requirements. Such procedures shall, among other things, require screening of transactions for:

- Interests of countries and governments that are the subject of Economic Sanctions and Export Controls (more details can be found in the Export Compliance Manual posted on the company Intranet)
- The various US government lists. More details can be found in the Export Compliance Manual.

Economic Sanctions and Export Controls Compliance Education and Training

The legal department shall keep its management and other relevant employees educated with respect to Economic Sanctions and Export Controls compliance by:

- Including presentations at all major Company sales meetings and other educational programs.
- Maintaining the Export Compliance Manual up to date.
- Maintaining information regarding Economic Sanctions and Export Controls on the company intranet.

Recordkeeping

The Company shall maintain full and accurate records of all transactions that are subject to Economic Sanctions requirements. All such must be authorized by regulation or by license issued by the U.S. Government. Such records must be retained for at least five years from the date of the transaction. Management is responsible for implementing this policy and coordinating it with NOV's Legal Department.



NATIONAL OILWELL VARCO

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Annual Statement of Compliance

Annually, NOV will require its officers, directors, employees, agents, distributors and representatives to submit a statement of compliance.