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

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 OR 15(d) of The  
Securities Exchange Act of 1934

**February 26, 2016 (February 24, 2016)**  
Date of Report (Date of earliest event reported)

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**NATIONAL OILWELL VARCO, INC.**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-12317**  
(Commission  
File Number)

**76-0475815**  
(IRS Employer  
Identification No.)

**7909 Parkwood Circle Dr.**  
**Houston, Texas**  
(Address of principal executive offices)

**77036**  
(Zip Code)

**Registrant's telephone number, including area code: 713-346-7500**

(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On February 24, 2016, National Oilwell Varco, Inc. (the “Company”) granted the following stock options, restricted stock awards and performance awards to its named executive officers:

<u>Name</u>	<u>Securities Underlying Stock Options (#)</u>	<u>Restricted Stock Awards (36 Months) (#)</u>	<u>Performance Awards (Target # of Shares)</u>
Clay C. Williams	697,674	79,674	74,703
Jose A. Bayardo	224,215	25,863	24,249
Joseph W. Rovig	149,477	17,242	16,166
Craig L. Weinstock	134,529	15,518	14,549
Scott K. Duff	112,108	12,932	12,125

The Stock Options were granted at a price equal to the closing trading price of the Company’s common stock on the New York Stock Exchange on February 24, 2016 (\$28.24 per share). Each of such options has a term of 10 years and vests in three equal annual installments commencing on the first anniversary of the date of grant. If an employee dies while in the employ of the Company, the employee’s estate may exercise the vested options at any time within 10 years from the date of grant.

The Restricted Stock Awards granted by the Company shall vest in three equal annual installments commencing on the first anniversary of the date of grant, provided that such executive officer remains continuously employed with the Company during such time period.

The Performance Awards can be earned by the executives only if the percentile ranking of the Company’s Total Shareholder Return (“TRS”) as measured against the TSR of the constituent members of the OSX Index over a three-year performance period, exceeds certain levels. The following table summarizes the payout levels on the TSR Award based on the relative performance of the Company’s TSR:

<u>Level</u>	<u>Payout %</u>	<u>Percentile Rank vs. OSX Comparator Group</u>
Maximum	200%	75th percentile or greater
Target	100%	50th percentile
Minimum	50%	25th percentile
No Payout	0%	Below the 25th percentile

Results falling between the stated thresholds of minimum, target and maximum will result in an interpolated, or sliding scale, payout.

The foregoing description of the stock options, restricted stock awards and performance awards is qualified in its entirety by reference to the Company’s Long-Term Incentive Plan and the form of NOV Employee Nonqualified Stock Option Grant Agreement, the form of NOV Restricted Stock Agreement and the form of NOV Performance Award Agreement, which are attached to this Current Report as Exhibits 10.1, 10.2 and 10.3 and incorporated herein by reference.

## Item 9.01 Financial Statements and Exhibits

### (d) Exhibits

- 10.1 Form of NOV Employee Nonqualified Stock Option Grant Agreement
- 10.2 Form of NOV Restricted Stock Agreement
- 10.3 Form of NOV Performance Award Agreement

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 26, 2016

NATIONAL OILWELL VARCO, INC.

/s/ Brigitte M. Hunt

Brigitte M. Hunt

Vice President

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## Index to Exhibits

- 10.1 Form of NOV Employee Nonqualified Stock Option Grant Agreement
- 10.2 Form of NOV Restricted Stock Agreement
- 10.3 Form of NOV Performance Award Agreement

**NATIONAL OILWELL VARCO, INC.  
LONG-TERM INCENTIVE PLAN**

**Nonqualified Stock Option Agreement**

Grantee: **«Name»**  
 Date of Grant: **February 24, 2016**  
 Exercise Price per Share: **\$**  
 Number of Option Shares Granted: **«Shares1»**

1. Notice of Grant. National Oilwell Varco, Inc. (the "Company") is pleased to notify you that you have been granted an option ("Option") to purchase the number of shares of Common Stock of the Company set forth above pursuant to the National Oilwell Varco, Inc. Long-Term Incentive Plan (the "Plan"), subject to the terms and conditions of the Plan and this Agreement. This Option is not intended to be an incentive stock option within the meaning of Section 422 of the Code.

2. Vesting and Exercise of Option. Subject to the further provisions of this Agreement, the Option shall become vested and may be exercised in accordance with the following schedule, by written notice to the Company at its principal executive office addressed to the attention of its Secretary (or such other officer or employee of the Company as the Company may designate from time to time):

<u>NUMBER OF FULL YEARS</u>	<u>PERCENTAGE OF SHARES THAT MAY BE PURCHASED</u>
Less than 1 year	0%
1 year	33 1/3%
2 years	66 2/3%
3 years or more	100%

Notwithstanding the above schedule, but subject to the further provisions hereof, upon the occurrence of the following events the Option shall vest and become exercisable as provided below:

(a) Disability. If your employment with the Company terminates by reason of a disability that entitles you to benefits under the Company's long-term disability plan, the Option may be exercised at any time, by you or by your legal guardian or legal representative, within 10 years from the above Date of Grant

(or, if you die during such period, by your estate or the person who acquires the Option by will or the laws of descent and distribution), but only as to the vested number of Option shares, if any, that you were entitled to exercise hereunder as of the date your employment so terminates.

(b) Death. If you die while in the employ of the Company, your estate (or the person who acquires the Option by will or the laws of descent and distribution) may exercise the Option at any time within 10 years from the above Date of Grant, but only as to the vested number of Option shares, if any, that you were entitled to exercise hereunder as of the date of your death.

(c) Termination for Cause. If your employment is terminated by the Company for cause, the Option automatically shall be cancelled and may not be exercised following your termination. The term "cause" means (i) your gross negligence or willful misconduct in the performance of your duties with respect to the Company or (ii) your final conviction of a felony or a misdemeanor involving moral turpitude.

(d) Other Terminations. If your employment with the Company is terminated for any reason other than as provided above, including an Involuntary Termination (as defined below), the Option, to the extent vested on the date of your termination, may be exercised, at any time during the three-month period following such termination, by you or by your guardian or legal representative (or by your estate or the person who acquires the Option by will or the laws of descent and distribution or otherwise by reason of the death of you if you die during such three-month period), but in each case only as to the vested number of Option shares, if any, that you were entitled to purchase hereunder as of the date your employment so terminates.

(e) Change of Control. The Option shall become fully vested upon your Involuntary Termination. As used in this paragraph, "Involuntary Termination" means your termination from employment with the Company on or within twelve months following a Change of Control that is either (i) initiated by the Company for reasons other than cause, or (ii) initiated by you after (a) a reduction by the Company of your authority, duties or responsibilities immediately prior to the Change of Control (excluding for this purpose (A) an insubstantial reduction of such authorities, duties or responsibilities or an insubstantial reduction of your offices, titles and reporting requirements, or (B) an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by you), (b) a reduction of your base salary or total compensation as in effect immediately prior to the Change of Control (total compensation means for this purpose: base salary, participation in an annual bonus plan, and participation in a long-term incentive plan), or (c) your transfer, without your express written consent, to a location which is outside the general metropolitan area in which your principal place of business immediately prior to the Change of Control may be located or the Company's requiring you to travel on Company business to a substantially greater extent than required immediately prior to the Change of Control. The term "Change of Control" shall mean: (i) the Company completes the sale of assets having a gross sales price which exceeds 50% of the consolidated total capitalization of the Company (consolidated total

stockholders' equity plus consolidated total long-term debt as determined in accordance with generally accepted accounting principles) as at the end of the last full fiscal quarter prior to the date such determination is made; or (ii) any corporation, person or group within the meaning of Section 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Act"), becomes the beneficial owner (within the meaning of Rule 13d-3 under the Act) of voting securities of the Company representing more than 30% of the total votes eligible to be cast at any election of directors of the Company.

For purposes of this Agreement, "employment with the Company" shall include being an employee or a director of, or a consultant to, the Company or a Subsidiary.

The provisions of any written employment or severance agreement between you and the Company concerning the vesting, exercise and/or period for exercise of Company stock options are incorporated hereby and made a part of this Agreement.

There is no minimum or maximum number of Option shares that must be purchased upon exercise of the Option. Instead, the Option may be exercised, at any time and from time to time, to purchase any number of Option shares that are then vested according to the provisions of this Agreement.

Notwithstanding any of the foregoing, the Option shall not be exercisable in any event after the expiration of 10 years from the above Date of Grant.

All Option shares that are not vested on your termination of employment as provided above shall be automatically cancelled and forfeited without payment upon your termination.

3. Method of Payment. Payment of the aggregate Exercise Price for the Shares being purchased may be by any of the following, or a combination thereof: (a) cash; (b) check acceptable to the Company; (c) consideration received by the Company under a "cashless broker" exercise program approved by the Company; (d) the constructive surrender of Shares already owned by you; or (e) with the consent of the Company (or the Committee if you are subject to Section 16(b) of the Exchange Act), withholding Shares to be acquired upon exercise of the Option.

4. Nontransferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during your lifetime only by you. The terms of the Plan and this Agreement shall be binding upon your executors, administrators, heirs, successors and assigns.

5. Entire Agreement; Governing Law. This Option is granted under and governed by the terms and conditions of the Plan and this Agreement. In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement. The Plan is incorporated herein by reference. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof, and may not be modified adversely to your interest except by means of a writing signed by the Company and you. This Agreement is governed by the internal substantive laws, but not the choice of law rules, of the state of Texas.

6. **Withholding of Tax.** To the extent that the exercise of the Option results in the receipt of compensation by you with respect to which the Company or a Subsidiary has a tax withholding obligation pursuant to applicable law, unless other arrangements have been made by you that are acceptable to the Company or such Subsidiary, which, with the consent of the Company (or the Committee if you are subject to Section 16(b) of the Exchange Act), may include withholding a number of Shares that would otherwise be delivered on exercise that have an aggregate Fair Market Value that does not exceed the amount of taxes to be withheld, you shall deliver to the Company or the Subsidiary such amount of money as the Company or the Subsidiary may require to meet its withholding obligations under such applicable law. No delivery of Shares shall be made pursuant to the exercise of the Option under this Agreement until you have paid or made arrangements approved by the Company or the Subsidiary to satisfy in full the applicable tax withholding requirements of the Company or Subsidiary.

7. **Forfeiture in Certain Circumstances (“Clawback”).** The Committee may, at its sole discretion, terminate this Award if it determines that the recipient of the Award has engaged in material misconduct. For purposes of this Clawback provision, material misconduct includes conduct adversely affecting the Company’s financial condition, results of operations, or conduct which constitutes fraud or theft of Company assets, any of which require the Company to make a restatement of its reported financial statements. The Committee may also specify other conduct requiring the Company to make a restatement of its publicly reported financial statements as constituting material misconduct in future Award Agreements. If any material misconduct results in any error in financial information used in the determination of compensation paid to the recipient of an Award and the effect of such error is to increase the payment amount pursuant to an Award, the Committee may also require the recipient to reimburse the Company for all or a portion of such increase in compensation provided in connection with any such Award. In addition, if there is a material restatement of the Company’s financial statements that affects the financial information used to determine the compensation paid to the recipient of the Award, then the Committee may take whatever action it deems appropriate to adjust such compensation.



**NATIONAL OILWELL VARCO, INC.  
LONG-TERM INCENTIVE PLAN**

**Restricted Stock Agreement**

Grantee: **«Name»**  
 Date of Grant: **February 24, 2016**  
 Number of Restricted Shares Granted: **«Shares2»**

1. Notice of Grant. National Oilwell Varco, Inc. (the “Company”) is pleased to notify you that you have been granted the above number of restricted shares of Common Stock (“Restricted Stock”) of the Company pursuant to the National Oilwell Varco, Inc. Long-Term Incentive Plan (the “Plan”), subject to the terms and conditions of the Plan and this Agreement.

2. Vesting of Restricted Stock. Subject to the further provisions of this Agreement, the shares of Restricted Stock shall become vested in accordance with the following schedule:

<u>VESTING DATE</u>	<u>VESTED PERCENTAGE</u>
February 24, 2017	33 1/3%
February 24, 2018	33 1/3%
February 24, 2019	33 1/3%

Distributions on a share of Restricted Stock may be held by the Company without interest until the Restricted Stock with respect to which the distribution was made becomes vested or is forfeited and then paid to you or forfeited, as the case may be.

Notwithstanding the above vesting schedule, but subject to the further provisions hereof, upon the occurrence of any of the following events the shares of Restricted Stock shall vest as provided below:

(a) Change of Control. The shares of Restricted Stock shall become fully vested upon your Involuntary Termination. As used in this paragraph, “Involuntary Termination” means your termination from employment with the Company on or within twelve months following a Change of Control that is either (i) initiated by the Company for reasons other than (a) your gross negligence or willful misconduct in the performance of your duties with the Company or (b) your final conviction of a felony or a misdemeanor involving moral turpitude, or (ii) initiated by you after (a) a reduction by the Company of your authority, duties or responsibilities immediately prior to the Change of Control (excluding for this purpose (A) an insubstantial reduction of such authorities, duties or responsibilities or an insubstantial reduction of your offices, titles and reporting requirements, or (B) an isolated, insubstantial and inadvertent action not taken in bad

faith and which is remedied by the Company promptly after receipt of notice thereof given by you), (b) a reduction of your base salary or total compensation as in effect immediately prior to the Change of Control (total compensation means for this purpose: base salary, participation in an annual bonus plan, and participation in a long-term incentive plan), or (c) your transfer, without your express written consent, to a location which is outside the general metropolitan area in which your principal place of business immediately prior to the Change of Control may be located or the Company's requiring you to travel on Company business to a substantially greater extent than required immediately prior to the Change of Control. The term "Change of Control" shall mean: (i) the Company completes the sale of assets having a gross sales price which exceeds 50% of the consolidated total capitalization of the Company (consolidated total stockholders' equity plus consolidated total long-term debt as determined in accordance with generally accepted accounting principles) as at the end of the last full fiscal quarter prior to the date such determination is made; or (ii) any corporation, person or group within the meaning of Section 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Act"), becomes the beneficial owner (within the meaning of Rule 13d-3 under the Act) of voting securities of the Company representing more than 30% of the total votes eligible to be cast at any election of directors of the Company.

For purposes of this Agreement, "employment with the Company" shall include being an employee or a director of, or a consultant to, the Company or Subsidiary.

The provisions of any written employment or severance agreement between you and the Company concerning the vesting of Restricted Stock are incorporated hereby and made a part of this Agreement.

All shares of Restricted Stock that are not vested on your termination of employment for any reason other than as provided in (a) above shall be automatically cancelled and forfeited without payment upon your termination.

3. Custody of Restricted Stock; Ownership Rights. Upon vesting and satisfying all applicable tax withholding obligations, the Company shall cause a book-entry registration or certificate or certificates to be issued without legend (except for any legend required pursuant to applicable securities laws or any other agreement to which you are a party) in your name evidencing the shares of Restricted Stock that have vested. Prior to the satisfaction of such vesting conditions or the occurrence of such events, the Restricted Stock is not transferable and shall be held in trust by the Secretary of the Company or such other depository as may be designated by the Committee as a depository for safekeeping until the forfeiture of such Restricted Stock occurs or the vesting of the shares pursuant to the terms of the Plan and this Agreement. In the Company's sole discretion, the Restricted Stock may be evidenced by an electronic book-entry account in your name created by the Company's stock transfer agent. No book-entry registration or physical certificates evidencing the Restricted Stock will be issued to you until the satisfaction of all vesting conditions set forth herein and the satisfaction of all applicable tax withholding obligations. You shall, if required by the Committee, deliver to the Company a stock power, endorsed in blank, relating to the Restricted Stock. Subject to the restrictions set forth herein, you are entitled to all voting and ownership rights applicable to the Restricted Stock, including the right to receive any dividends that may be paid on Restricted Stock, whether or not vested.

4. Nontransferability of Restricted Stock. You may not sell, transfer, pledge, exchange, hypothecate or dispose of shares of Restricted Stock in any manner otherwise than by will or by the laws of descent or distribution. A breach of these terms of this Agreement shall cause a forfeiture of the shares of Restricted Stock.

5. Entire Agreement; Governing Law. These shares of Restricted Stock are granted under and governed by the terms and conditions of the Plan and this Agreement. In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement. The Plan is incorporated herein by reference. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof, and may not be modified adversely to your interest except by means of a writing signed by the Company and you. This Agreement is governed by the internal substantive laws, but not the choice of law rules, of the state of Texas.

6. Withholding of Tax. To the extent that the grant or vesting of Restricted Stock results in the receipt of compensation by you with respect to which the Company or a Subsidiary has a tax withholding obligation pursuant to applicable law, you shall deliver to the Company or the Subsidiary such amount of money as the Company or the Subsidiary may require to meet its withholding obligations under such applicable law. At the Company's option and in its sole discretion, it may withhold a number of Shares that would otherwise be delivered on vesting that have an aggregate Fair Market Value that does not exceed the amount of taxes to be withheld, in lieu of you delivering such amount of money, to meet your tax withholding obligations. No delivery of unrestricted Shares shall be made under this Agreement until you have satisfied in full the applicable tax withholding requirements of the Company or Subsidiary.

7. Forfeiture in Certain Circumstances ("Clawback"). The Committee may, at its sole discretion, terminate this Award if it determines that the recipient of the Award has engaged in material misconduct. For purposes of this Clawback provision, material misconduct includes conduct adversely affecting the Company's financial condition, results of operations, or conduct which constitutes fraud or theft of Company assets, any of which require the Company to make a restatement of its reported financial statements. The Committee may also specify other conduct requiring the Company to make a restatement of its publicly reported financial statements as constituting material misconduct in future Award Agreements. If any material misconduct results in any error in financial information used in the determination of compensation paid to the recipient of an Award and the effect of such error is to increase the payment amount pursuant to an Award, the Committee may also require the recipient to reimburse the Company for all or a portion of such increase in compensation provided in connection with any such Award. In addition, if there is a material restatement of the Company's financial statements that affects the financial information used to determine the compensation paid to the recipient of the Award, then the Committee may take whatever action it deems appropriate to adjust such compensation.

**NATIONAL OILWELL VARCO, INC.**  
**LONG-TERM INCENTIVE PLAN**  
**PERFORMANCE AWARD AGREEMENT**

Grantee:

Date of Grant:

“Target Level” Shares that may be earned:

1. Notice of Grant. National Oilwell Varco, Inc. (the “Company”) is pleased to notify you that you have been granted a Performance Award (“Award”) equal to the above aggregate number of shares of Common Stock of the Company pursuant to the National Oilwell Varco, Inc. Long-Term Incentive Plan (the “Plan”), subject to the terms and conditions of the Plan and this Agreement. For purposes of paragraph 4(a)(v) of your Employment Agreement dated as of \_\_\_\_\_, the Award referenced herein will be considered “performance-based restricted stock.”

2. Performance Period and Performance Criteria. The Award’s performance period (“Performance Period”) and criteria (“Performance Criteria”) are set forth in Exhibit A to this Agreement. The Performance Criteria have been established by the Committee, which shall determine and certify whether such criteria have been satisfied.

3. Payment.

(a) Subject to the provisions of this Agreement and the Plan, following the end of the Performance Period, you shall be entitled to receive a payment of a number of shares of Common Stock of the Company based on the level of achievement of the Performance Criteria set forth on Exhibit A hereto during the Performance Period, as determined and certified by the Committee in writing, such number of shares not to exceed the maximum level of shares set forth on Exhibit A. The payment of such number of shares shall be made not earlier than January 1, 2019 and not later than March 15, 2019 or such other time as complies with Code Section 409A. If it is subsequently determined by the Committee, in its sole discretion, that the terms and conditions of this Agreement and/or the Plan are not compliant with Code Section 409A, or any Treasury regulations or Internal Revenue Service guidance promulgated thereunder, this Agreement and/or the Plan may be amended accordingly.

(b) Distributions on a share of Common Stock (including dividends) underlying the Award shall accrue and be held by the Company without interest until the Award with respect to which the distribution was made becomes vested or is forfeited and then paid to you or forfeited, as the case may be.

(c) In the event of your Involuntary Termination (as defined below), the Performance Criteria for the full Performance Period shall be deemed satisfied at the target level. The Committee shall certify that such Performance Criteria have been

satisfied at such level and provide for the payment of the target level of shares of Common Stock at or prior to your Involuntary Termination. As used in this paragraph, "Involuntary Termination" means your termination from employment with the Company on or within twelve months following a Change of Control (as defined in the Plan) that is either (i) initiated by the Company for reasons other than (a) your gross negligence or willful misconduct in the performance of your duties with the Company or (b) your final conviction of a felony or a misdemeanor involving moral turpitude, or (ii) initiated by you after (a) a reduction by the Company of your authority, duties or responsibilities immediately prior to the Change of Control (excluding for this purpose (A) an insubstantial reduction of such authorities, duties or responsibilities or an insubstantial reduction of your offices, titles and reporting requirements, or (B) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you), (b) a reduction of your base salary or total compensation as in effect immediately prior to the Change of Control (total compensation means for this purpose: base salary, participation in an annual bonus plan, and participation in a long-term incentive plan), or (c) your transfer, without your express written consent, to a location which is outside the general metropolitan area in which your principal place of business immediately prior to the Change of Control may be located or the Company's requiring you to travel on Company business to a substantially greater extent than required immediately prior to the Change of Control.

(d) Upon termination of your employment for any reason other than as provided in subparagraph (c) above, the Award shall be automatically cancelled and forfeited without payment.

4. Status of Shares of Common Stock. You agree that any shares of Common Stock distributed to you pursuant to this Agreement will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable federal or state securities laws. You also agree that (a) any certificates representing such shares may bear such legend or legends as the Committee in its sole discretion deems appropriate in order to assure compliance with applicable securities laws and (b) the Company may refuse to register the transfer of such shares on the stock transfer records of the Company, and may give related instructions to its transfer agent, if any, to stop registration of such transfer, if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law. In the Company's sole discretion, any shares of Common Stock distributed to you pursuant to this Agreement may be evidenced by an electronic book entry account in your name created by the Company's transfer agent. You shall not have any voting rights with respect to any share of Common Stock underlying the Award until such share is distributed to you in accordance with the terms of this Agreement.

5. Entire Agreement; Governing Law. The Award shall be governed by the terms and conditions of the Plan and this Agreement. In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement. The Plan is incorporated herein by reference. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof,

and may not be modified adversely to your interest except by means of a writing signed by the Company and you. This Agreement is governed by the internal substantive laws, but not the choice of law rules, of the state of Texas.

6. Withholding of Tax. To the extent that payment of the Award results in compensation income to you for federal or state income tax purposes, unless other arrangements have been made by you that are acceptable to the Company, the Company is authorized to withhold from any shares of Common Stock distributable to you under this Agreement a number of such shares having an aggregate fair market value that does not exceed the amount of taxes required to be withheld by reason of such resulting compensation income. No delivery of shares of Common Stock shall be made under this Agreement until you have paid or made arrangements approved by the Company to satisfy in full the applicable tax withholding requirements of the Company related to the payment of the Award.

7. Forfeiture in Certain Circumstances (“Clawback”). The Committee may, at its sole discretion, terminate this Award if it determines that the recipient of the Award has engaged in material misconduct. For purposes of this Clawback provision, material misconduct includes conduct adversely affecting the Company’s financial condition, results of operations, or conduct which constitutes fraud or theft of Company assets, any of which require the Company to make a restatement of its reported financial statements. The Committee may also specify other conduct requiring the Company to make a restatement of its publicly reported financial statements as constituting material misconduct in future Award Agreements. If any material misconduct results in any error in financial information used in the determination of compensation paid to the recipient of an Award and the effect of such error is to increase the payment amount pursuant to an Award, the Committee may also require the recipient to reimburse the Company for all or a portion of such increase in compensation provided in connection with any such Award. In addition, if there is a material restatement of the Company’s financial statements that affects the financial information used to determine the compensation paid to the recipient of the Award, then the Committee may take whatever action it deems appropriate to adjust such compensation.

**NATIONAL OILWELL VARCO, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[NAME]**

\_\_\_\_\_  
Signature

## Exhibit A

### Performance Period and Criteria

**Performance Period:** January 1, 2016 to December 31, 2018

**Performance Criteria:**

This Award is based entirely on the Company's Total Shareholder Return ("TSR") as measured against the TSR of the constituents of the OSX Index. Such comparison will be based on a percentile approach as detailed below with any payment based on linear interpolation between threshold and maximum levels. TSR for the Company and the OSX comparator group to be calculated over the entire 3-year Performance Period (using a 30-day averaging period for the first 30 calendar days and the last 30 calendar days of the Performance Period to mitigate the effect of stock price volatility). TSR calculation to assume reinvestment of dividends. Comparator companies that file for bankruptcy or delist at any time during the Performance Period will remain in the OSX comparator group with a TSR that places such companies at the bottom of the percentile rankings. Comparator companies that are acquired (including by merger) during the Performance Period will be removed from the OSX comparator group. The Award will be not earned if the Company's performance during the Performance Period is below the threshold level of the Performance Criteria as described below.

<u>Level</u>	<u>Percentile Rank vs. Comparator Group</u>	<u>Payout Percentage*</u>
Maximum	75th Percentile and above	200% of Target Level
Target	50th percentile	100% of Target Level
Threshold	25th percentile	50% of Target Level
	Below 25th percentile	0%

\* Based on the Target Level shares set forth on the first page of this Agreement.