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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**

**December 7, 2012 (December 6, 2012)  
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 December 6, 2012, National Oilwell Varco, Inc. (the “Company”) appointed Clay Williams as President and Chief Operating Officer of the Company, effective December 6, 2012. Mr. Williams previously served as the Company’s Executive Vice President and Chief Financial Officer.

On December 6, 2012, the Company also appointed Jeremy Thigpen as Senior Vice President and Chief Financial Officer. Mr. Thigpen, age 38, previously served as the Company’s President – Downhole Pumping and Solutions since 2007.

Mr. Thigpen is subject to an employment agreement he entered into with the Company on January 1, 2004 (the “Employment Agreement”), which was amended on December 22, 2008 and on December 31, 2009 (the “Amendments”), the terms of which are consistent with those of the Company’s other executive officers. Under the Employment Agreement and its Amendments, Mr. Thigpen is provided base salary, as well as participation in employee incentive plans and employee benefits as generally provided to all employees. The Employment Agreement has a one-year term and is automatically extended on an annual basis.

The foregoing description of the Employment Agreement and its Amendments are qualified in its entirety by reference to the full text of each of the Employment Agreement and its Amendments, which are attached to this Current Report as Exhibits 10.1, 10.2 and 10.3 and incorporated herein by reference.

A copy of the press release naming Messrs. Williams and Thigpen to their respective positions is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits**

*(d) Exhibits*

- 10.1 Employment Agreement dated as of January 1, 2004 between Jeremy Thigpen and National Oilwell.
- 10.2 First Amendment to Employment Agreement dated as of December 22, 2008 between Jeremy Thigpen and National Oilwell Varco.
- 10.3 Second Amendment to Employment Agreement dated as of December 31, 2009 between Jeremy Thigpen and National Oilwell Varco.
- 99.1 National Oilwell Varco, Inc. press release dated December 6, 2012 announcing management changes.

**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: December 7, 2012

NATIONAL OILWELL VARCO, INC.

/s/ Raymond W. Chang

Raymond W. Chang

Vice President

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**Index to Exhibits**

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EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement"), dated effective as of January 1, 2004, by and among National-Oilwell L.P., a Delaware limited partnership (the "Company"), National-Oilwell, Inc., a Delaware corporation ("NOI"), and Jeremy D. Thigpen (the "Executive").

WITNESSETH:

WHEREAS, the Board of Directors of NOI (the "Board") has previously determined that it is in the best interests of NOI and its stockholders to retain the Executive and to induce the employment of the Executive for the long term benefit of NOI, its shareholders and its affiliated companies, including the Company;

WHEREAS, the Board does not contemplate the termination of the Executive during the term hereof and the Board and the Executive expect that the Executive will be retained for at least the one year period contemplated herein; and

WHEREAS, to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

**1. Employment.**

(a) The Company hereby agrees that the Company or an affiliated company will continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company or an affiliated company subject to the terms and conditions of this Agreement, during the Employment Period (as defined below). As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(b) The "Employment Period" shall mean the period commencing on the date hereof and ending on the first (1<sup>st</sup>) anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Employment Period shall be automatically extended so as to terminate one year after such Renewal Date, unless at least sixty (60) days prior to the Renewal Date the Company shall give notice to the Executive that the Contract Period shall not be so extended.

**2. Terms of Employment.**

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements, authority, duties and responsibilities) shall be substantially similar to that in effect as of the date hereof and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the date hereof or any office or location less than fifty (50) miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote the Executive's full time, skill and attention to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the date hereof, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the date hereof shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary equal to the current base salary being received by the Executive ("Annual Base Salary"), which shall be paid in accordance with the Company's standard payroll practice. During the Employment Period, the Annual Base Salary shall be reviewed no more than twelve (12) months after the last salary increase awarded to the Executive prior to the date hereof and thereafter at least annually; provided, however, that a salary increase shall not necessarily be awarded as a result of such review. Any increase in Annual Base Salary may not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any increase without the express written consent of the Executive. The term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased.

(ii) Annual Bonus. The Executive shall be eligible for an annual bonus (the "Annual Bonus") for each fiscal year ending during the Employment Period on the same basis as other executive officers under the then current National Oilwell Incentive Plan (or such other name as may be adopted for the plan or its successor). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to a Company sponsored deferred compensation plan in effect.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, stock option, savings and retirement plans, practices, policies and programs applicable generally to the Executive's peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect on the date hereof.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible to participate in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to the Executive's peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than such plans, practices, policies and programs in effect for the Executive on the date hereof.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive on the date hereof.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits (including, without limitation, financial planning services, payment of club dues, a car allowance or use of an automobile and payment of related expenses, as appropriate) in accordance with the most favorable plans, practices, programs and policies of the Company in effect on the date hereof.

(vii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies in effect for the Executive on the date hereof.

### **3. Termination of Employment.**

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that a Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 11(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate

effective thirty (30) days after receipt of such notice by the Executive (the "Disability Effective Date"), provided that within the thirty (30) day period after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for one hundred eighty (180) calendar days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company. For purposes of this provision, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or of a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(c) Good Reason. The Executive may terminate the Executive's employment during the Employment Period for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 2(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose 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 the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 2(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;



- (iii) the Company's requiring the Executive to be based at any office or location other than as provided in Section 2(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the date hereof;
- (iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or
- (v) any failure by the Company to comply with and satisfy Section 9(c) of this Agreement, or
- (vi) notice by the Company to the Executive that the Company is not extending or renewing this Agreement.

(d) Notice of Termination. Any termination during the Employment Period by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 11(b) of the Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" shall mean:

- (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be;
- (ii) if the Executive's employment is terminated by the Company other than for Cause, death or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination; and
- (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

#### 4. Obligations of the Company Upon Termination.

(a) Good Reason; Other than For Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause, death or Disability, or the Executive shall terminate employment for Good Reason:

(i) The Company shall pay to the Executive in a lump sum in cash within thirty (30) days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the highest Annual Bonus received by the Executive over the preceding three year period and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Executive was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365, and (3) any compensation previously deferred by the Executive under a plan sponsored by the Company (together with any accrued interest or earnings thereon), and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) shall be hereinafter referred to as the "Accrued Obligations"), and

(B) an amount equal to the sum of (i) the then current Annual Base Salary of the Executive and (ii) the Highest Annual Bonus, and

(C) an amount equal to the total of the employer matching contributions credited to the Executive under the Company's 401(k) Savings Plan (the "401(k) Plan"), any other excess or supplemental retirement plan in which the Executive participates or any other deferred compensation plan during the twelve (12) month period immediately preceding the month of the Executive's Date of Termination, such amount to be grossed up so that the amount the Executive actually receives after payment of any federal or state taxes payable thereon equals the amount first described above.

Provided that, notwithstanding anything contained herein to the contrary, for that portion of the Accrued Obligations consisting of compensation previously deferred by the Executive under a plan sponsored by the Company (together with any accrued interest or earnings thereon), the Executive shall have the option, at Executive's sole discretion, to receive any payments due from such plan in accordance with the terms of the plan or in cash within thirty (30) days after the Date of Termination as provided in this Section 4(a)(i), so long as the election to receive cash under this Section is permitted under all applicable regulations governing payouts from the plan and does not have an adverse effect on the plan or the remaining participants in the plan.

(ii) For a period of one year from the Executive's Date of Termination (the "Remaining Contract Term") or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 2(b)(iv) of this Agreement if the Executive's employment had not been terminated; provided, however, that with respect to any of such plans, programs, practices or policies requiring an employee contribution, the Executive shall continue to pay the monthly employee contribution for same, and provided further, that if the Executive becomes reemployed by another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility (for purpose of determining eligibility of the Executive for retiree benefits pursuant to such plans, programs, and arrangements, the Executive shall be considered to have remained employed until one year after the Date of Termination and to have retired on the last day of such period);

(iii) The Company shall, at its sole expense as incurred, provide the Executive with outplacement services, the scope and provider of which shall be selected by the Executive in his sole discretion;

(iv) All options to purchase Common Stock held by the Executive pursuant to a stock option plan on or prior to the Date of Termination shall be governed by the terms of the option agreement or plan between the Executive, NOI, and/or the Company;

(v) All benefits under the Company's 401(k) Savings Plan and any other similar plans, including any restricted stock held by the Executive, not already vested shall be 100% vested, to the extent such vesting is permitted under the Code (as defined below);

(vi) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vii) The foregoing payments are intended to compensate the Executive for a breach of the Company's obligations and place Executive in substantially the same position had the employment of the Executive not been so terminated as a result of a breach by the Company.

(b) Death. If Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiaries, as applicable, in a lump sum in cash within thirty (30) days after the Date of Termination. With respect to the provision of Other Benefits,

the term Other Benefits as utilized in this Section 4(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of the Executive's peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, in effect on the date hereof or, if more favorable, those in effect on the date of the Executive's death.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within thirty (30) days after the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 4(c) shall include, without limitation, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable benefits generally provided by the Company and its affiliated companies to the Executive's disabled peer executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, in effect generally on the date hereof or, if more favorable, those in effect at the time of the Disability.

(d) Cause; Other Than for Good Reason. If the Executive's employment is terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than the obligation to pay to the Executive (x) his or her Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within thirty (30) days after the Date of Termination subject to such other options or restrictions as provided by law.

## **5. Other Rights.**

Except as provided herein, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Except as provided herein, amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement. It is expressly agreed by the Executive that he or she shall have no right to receive, and hereby waives any entitlement to, any severance pay or similar benefit under any other plan, policy, practice or program of the Company. In addition, if the Executive has an employment or similar agreement

with the Company at the Date of Termination, he or she agrees that he or she shall have the right to receive all of the benefits provided under this Agreement or such other agreement, whichever one, in its entirety, the Executive chooses, but not both agreements, and when the Executive has made such election, the other agreement shall be superseded in its entirety and shall be of no further force and effect. The Executive also agrees that to the extent he or she may be eligible for any severance pay or similar benefit under any laws providing for severance or termination benefits, such other severance pay or similar benefit shall be coordinated with the benefits owed hereunder, such that the Executive shall not receive duplicate benefits.

#### **6. Full Settlement.**

(a) No Rights of Offset. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others.

(b) No Mitigation Required. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment.

(c) Legal Fees. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expense which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company or the Executive of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereto (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code").

#### **7. Certain Additional Payments by the Company.**

(a) Although this Agreement is not being entered into in connection with or contingent upon a change of control of the Company, anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 7) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the

Payments. Notwithstanding the foregoing provisions of this Section 7(a), if it shall be determined that the Executive is entitled to a Gross-Up Payment, but that the Executive, after taking into account the Payments and the Gross-Up Payment, would not receive a net after-tax benefit of at least \$50,000 (taking into account both income taxes and any Excise Tax) as compared to the net after-tax proceeds to the Executive resulting from an elimination of the Gross-Up Payment and a reduction of the Payments, in the aggregate, to an amount (the "Reduced Amount") such that the receipt of Payments would not give rise to any Excise Tax, then no Gross-Up Payment shall be made to the Executive and the Payments, in the aggregate, shall be reduced to the Reduced Amount.

(b) Subject to the provisions of Section 7(c), all determinations required to be made under this Section 7, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination shall be made by Ernst & Young, L.L.P., 1221 McKinney, Suite 2400, Houston, Texas 77010 or, as provided below, such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days after the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group affecting a change of control of the Company, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 7, shall be paid by the Company to the Executive within five days after the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 7(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment (or an additional Gross-Up Payment) in the event the IRS seeks higher payment. Such notification shall be given as soon as practicable, but no later than ten business days after the Executive is informed in writing of such claim, and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claims; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such costs and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 7(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issues raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 7(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 7(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 7(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

## **8. Confidential Information.**

The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies, provided that it shall not apply to information which is or shall become part of the public domain (other than by acts by the Executive or representatives of the Executive in violation of this Agreement), information that is developed by the Executive independently of such information, or knowledge or data or information that is disclosed to the Executive by a third party under no obligation of confidentiality to the Company. After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 8 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

## **9. Successors.**

(a) This Agreement is personal to the Executive and shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

## **10. Post employment non-competition obligations.**

(a) As part of the consideration for the compensation and benefits to be paid to Executive hereunder, and as an additional incentive for the Company and NOI to enter into this Agreement, the Company, NOI and Executive agree to the non-competition provisions of this Section 10. Executive agrees that during the period of Executive's non-competition obligations hereunder, Executive will not, directly or indirectly for Executive or for others, in any geographic area or market where the Company, NOI or any of their subsidiaries or affiliated companies are conducting any business as of the date of termination of the employment relationship or have during the previous twelve months conducted any business:



- (i) engage in any business competitive with any line of business conducted by the Company, NOI, or any of their subsidiaries or affiliates;
- (ii) render advice or services to, or otherwise assist, any other person, association, or entity who is engaged, directly or indirectly, in any business competitive with any line of business conducted by the Company, NOI, or any of their subsidiaries or affiliates;
- (iii) induce any officer or manager of the Company or NOI, or any of their subsidiaries or affiliates to terminate his or her employment with the Company, NOI, or any of their subsidiaries or affiliates, or hire or assist in the hiring of any such officer or manager by person, association, or entity not affiliated with the Company, NOI or any of their subsidiaries or affiliates.

These non-competition obligations shall apply during Executive's employment and for a period ending on the first (1<sup>st</sup>) anniversary date of the Date of Termination. After termination of Executive's employment these non-competition obligations shall apply only to businesses having annual revenues in excess of \$10 million competitive with any line of business conducted by the Company, NOI, or any of their subsidiaries having annual revenues in excess of \$10 million for the last fiscal year prior to the time of termination. If the Company, NOI, or any of their subsidiaries or affiliates abandons a particular aspect of its business, that is, ceases such aspect of its business with the intention to permanently refrain from such aspect of its business, then this post-employment non-competition covenant shall not apply to such former aspect of that business.

(b) Executive understands that the foregoing restrictions may limit his ability to engage in certain businesses anywhere in the world during the period provided for above, but acknowledges that Executive will receive sufficiently high remuneration and other benefits under this Agreement to justify such restriction. Executive acknowledges that money damages would not be sufficient remedy for any breach of this Section 10 by Executive, and the Company, NOI, or any of their subsidiaries or affiliates shall be entitled to specific performance and injunctive relief as remedies for such breach or any threatened breach after notification by the Company of any breach and Executive's failure to cure same. Such remedies shall not be deemed the exclusive remedies for a breach of this Section 10, but shall be in addition to all remedies available at law or in equity to the Company, NOI, or any of their subsidiaries or affiliates, including, without limitation, the recovery of damages from Executive and his agents involved in such breach.

(c) The Executive, the Company and NOI each expressly acknowledge and agree that the restrictions contained in this Agreement, including this Section 10, are deemed by each to reasonable and necessary to protect the business interests of NOI and the Company and their subsidiaries and affiliates. However, in the event that any of the restrictions contained in this Agreement, and specifically this Section 10, are found by a court of competent jurisdiction to be

unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, it is the parties express intention for the restrictions herein set forth to be modified by such court so as to be reasonable and enforceable and, as so modified by the court, to be fully enforced.

#### 11. Miscellaneous.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORD-ANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICT OF LAWS. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive:

Jeremy D. Thigpen  
22022 Oakcreek Hollow Lane  
Katy, Texas 77450

If to Company:

National-Oilwell, L.P.  
P.O. Box 4888  
Houston, Texas 77210-4888  
Attn: President

With copy to:

National-Oilwell, Inc.  
10000 Richmond Ave., Suite 400  
Houston, Texas 77042  
Attn: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 3(c)(i)-(vi) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

Executive

/s/ Jeremy D. Thigpen

Jeremy D. Thigpen

National-Oilwell, L.P.

by its general partner

NOW Oilfield Services, Inc.

By: /s/ Merrill A. Miller, Jr.

Name: Merrill A. Miller, Jr.

Title: President

National-Oilwell, Inc.

By: /s/ Merrill A. Miller, Jr.

Name: Merrill A. Miller, Jr.

Title: Chairman, President and CEO

**FIRST AMENDMENT  
TO  
EMPLOYMENT AGREEMENT BETWEEN NATIONAL OILWELL VARCO L.P.  
NATIONAL OILWELL VARCO, INC. AND JEREMY D. THIGPEN**

**THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT** (this “**First Amendment**”) between National Oilwell L.P., a Delaware limited partnership, National Oilwell, Inc., a Delaware corporation, and Jeremy D. Thigpen (the “Executive”) is executed by National Oilwell Varco L.P., a Delaware limited partnership (the “Company”), National Oilwell Varco, Inc., a Delaware corporation (“NOI”), and the Executive on December 22, 2008, but is effective as set forth herein.

**WITNESSETH:**

**WHEREAS**, National-Oilwell L.P., National-Oilwell, Inc. and the Executive entered into an employment agreement dated as of January 1, 2004 (the “Original Agreement”);

**WHEREAS**, as a result of the merger of National-Oilwell, Inc. and Varco International, Inc. on March 11, 2005, National-Oilwell L.P. and National-Oilwell, Inc. were reorganized in the forms of the Company and NOI, respectively, each of which succeeded to the obligations of its predecessor;

**WHEREAS**, the Original Agreement must be amended on or before December 31, 2008 to comply with new Section 409A of the Internal Revenue Code of 1986, as amended by the America Jobs Protection Act of 2004; and

**WHEREAS**, the Company, NOI and the Executive desire to amend the Original Agreement to comply with new Section 409A and effect certain other changes as hereinafter provided;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Each reference to “National-Oilwell L.P.” and “National-Oilwell, Inc.” contained in the Original Agreement shall be deleted and a reference to “National Oilwell Varco L.P.” and “National Oilwell Varco, Inc.”, respectively, shall be substituted in lieu of the original reference.
2. Paragraph (ii) of Section 2(b) of the Original Agreement is hereby amended and restated in its entirety to provide as follows:
  - (ii) Annual Bonus. The Executive shall be eligible for an annual bonus the “Annual Bonus”) for each fiscal year ending during the Employment Period on the same basis as other executive officers under the Company’s then current Annual Incentive Plan (or such other name as may be adopted for the plan or its successor), which shall be payable in accordance with the terms of such plan.
3. Paragraph (v) of Section 2(b) of the Original Agreement is hereby amended to add the following new paragraph immediately following the end of such paragraph:

Any reimbursement of expenses required under this paragraph and any reimbursement of legal fees and expenses required under Section 6(c) of this Agreement shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of the Executive's taxable year following the taxable year in which the fee, disbursement, cost or expense is incurred by the Executive); provided, however, that, upon the Executive's termination of employment with the Company, in no event shall any additional reimbursement be made prior to the date that is six months after the date of the Executive's termination of employment to the extent such payment delay is required under Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the "Code"). In no event shall any reimbursement be made to the Executive for such expenses and fees incurred after the later of (1) the tenth anniversary of the date of the Executive's death or (2) the date that is ten years after the date of the Executive's termination of employment with the Company.

4. Paragraph (e) of Section 3 of the Original Agreement is hereby amended by adding the following sentence immediately at the end of such Section to provide as follows:

For purposes of any payments or provision of benefits under this Agreement, the Executive shall not be considered to have terminated employment with the Company unless the Executive incurs a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code and applicable guidance issued thereunder.

5. The flush paragraph immediately following subclause (C) of Section 4(a)(i) of the Original Agreement is hereby deleted.

6. Subclauses (A), (B) and (C) of Section 4(a)(i) of the Original Agreement are hereby amended and restated in their entirety to provide as follows:

(A) the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2), the product of (x) the higher of (I) the highest Annual Bonus received by the Executive over the preceding three year period and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Executive was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365; and (3) any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) shall be hereinafter referred to as the "Accrued Obligations"), and

(B) an amount equal to the sum of (i) the then current Annual Base Salary of the Executive and (ii) the Highest Annual Bonus, and

(C) an amount equal to the maximum amount of employer matching contributions that could have been credited to the Executive under the Company's 401(k) Savings Plan (without regard to any applicable nondiscrimination tests), any other excess or supplemental retirement plan in which the Executive participates or any other

deferred compensation plan during the twelve (12) month period immediately preceding the month of the Executive's Date of Termination, such amount to be grossed up so that the amount the Executive actually receives after payment of any federal or state taxes payable thereon equals the amount first described above.

7. Clause (ii) of Section 4(a) of the Original Agreement is hereby amended and restated in its entirety to provide as follows:

(ii) Until the date of the Executive's death, the Company shall continue group health plan (as defined for purposes of Section 4980B of the Code) benefits to the Executive and/or the Executive's family equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 2(b)(iv) of this Agreement as if the Executive's employment had not been terminated; provided, that if the Executive's participation after the Date of Termination in such group health plan is not permitted by the terms of a plan, then for the Executive's lifetime, the Company shall provide the Executive through other sources with substantially the same benefits that were provided to the Executive by that plan immediately before the Termination Date; provided further, that if the Executive becomes reemployed by another employer and is eligible to receive any of such benefits under another employer provided plan, the benefits provided hereunder shall be secondary to those provided under such other plans. With respect to any group health plan that requires an employee contribution, for the period of time during which the Executive would be entitled (or would, but for this Agreement, be entitled) to continuation coverage under a group health plan of the Company under Section 4980B of the Code if the Executive elected such coverage and paid the applicable premiums (generally, 18 months), the Executive shall pay the then active employee cost of the benefits as determined under the then current practices of the Company on a monthly, semi-annual or annual basis as elected by the Executive, and thereafter, the Executive shall pay the full cost of the benefits as determined under the then current practices of the Company on a monthly or annual basis as elected by the Executive, provided that the Company shall reimburse the Executive the amount of the costs of the benefit that is in excess of the then active employees costs for such benefits no later than 30 days following the end of the Executive's taxable year in which such reimbursable amounts are paid by the Executive, and provided further that the reimbursements provided, during the Executive's taxable year shall not affect the expenses eligible for reimbursement in any other taxable year (with the exception of applicable lifetime maximums applicable to medical expenses or medical benefits described in Section 105(b) of the Code) and the right to reimbursement hereunder shall not be subject to liquidation or exchange for another benefit or payment;

8. Clause (iii) of Section 4(a) of the Original Agreement is hereby amended and restated in its entirety to provide as follows:

(iii) The Company shall reimburse Executive for all outplacement services incurred on and prior to the last day of the second calendar year following the year in which the Date of Termination occurs up to a maximum direct cost to the Company of up to 15% of the Executive's Annual Base Salary as of the Date of Termination Company shall reimburse Executive within 30 days after Executive provides the Company with an invoice (and any supporting documentation required by the Company) for such outplacement services, but in no event shall any such reimbursement be made after the last day of the third calendar year following the year in which the Date of Termination occurs;

9. Clause (iv) of Section 4(a) of the Original Agreement is hereby amended and restated in its entirety to provide as follows:
  - (iv) All options to purchase Common Stock held by the Executive pursuant to a stock option plan on or prior to the Date of Termination shall be governed by the terms of the option agreement or plan between the Executive, NOI, and/or the Company; and any restricted stock held by the Executive, not already vested shall be 100% vested;
10. Clause (v) of Section 4(a) of the Original Agreement is hereby amended and restated in its entirety to provide as follows:
  - (v) Any compensation previously deferred by the Executive under a plan sponsored by the Company (together with any accrued interest or earnings thereon) shall be distributed at the earliest time permitted by such plan or, if permitted under the terms of such plan and all applicable laws, statutes or regulations governing such plans, at such other time as the Executive may elect under the terms of such plan;
11. A new flush paragraph shall be added immediately following clause (vii) of Section 4(a) of the Original Agreement to provide as follows:

Provided that, notwithstanding anything contained herein to the contrary, in accordance with Section 409A of the Code, if the Executive is determined by the Board (or its delegate) to be a "specified employee" (as described in Section 409A of the Code) for the year in which Executive's Date of Termination occurs, any payments or in-kind benefits due hereunder that are not permitted to be paid or provided on the date(s) specified hereunder without the imposition of additional taxes, interest and penalties under Section 409A of the Code shall be paid in a lump sum or provided on the first business day following the six-month anniversary of the Date of Termination or, if earlier, Executive's death (the "409A Payment Date").
12. The fourth sentence in Section 5 of the Original Agreement (which begins, "In addition, if . . ." and ends, ". . . of no further force and effect.") shall be deleted.
13. The reference to "Internal Revenue Code of 1986, as amended (the "Code")" contained in paragraph (c) of Section 6 of the Original Agreement shall be deleted and a reference to "Code" shall be substituted in lieu of the original reference.
14. A new Paragraph (e) shall be added immediately following Paragraph (d) of Section 7 of the Original Agreement to provide as follows:
  - (e) Notwithstanding anything in this Agreement to the contrary, in accordance with Section 409A of the Code, any additional payments due to Executive under this Section 7 shall be paid by the Company no later than the end of the Executive's taxable year next following the Executive's taxable year in which the related taxes are remitted to the taxing authority.
15. A new Paragraph (f) shall be added immediately following Paragraph (e) of Section 11 of the Original Agreement to provide as follows:

(f) This Agreement is intended to meet the requirements of Section 409A of the Code and shall be administered in a manner that is intended to meet those requirements and shall be construed and interpreted in accordance with such intent. To the extent that a payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, except as the Board of Directors and Executive otherwise determine in writing, the payment shall be paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the payment, settlement or deferral shall not be subject to the additional tax or interest applicable under Section 409A of the Code. Any provision of this Agreement that would cause the payment, settlement or deferral thereof to fail to satisfy Section 409A of the Code shall be amended (in a manner that as closely as practicable achieves the original intent of this Agreement) to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, if permitted under the regulations and other guidance issued under Section 409A of the Code. In the event additional regulations or other guidance is issued under Section 409A of the Code or a court of competent jurisdiction provides additional authority concerning the application of Section 409A with respect to the payments described hereunder, then the provisions regarding such payments shall be amended to permit such payments to be made at the earliest time allowed under such additional regulations, guidance or authority that is practicable and achieves the original intent of this Agreement.

16. This First Amendment shall be binding on each party hereto only when it has been executed by all of the parties hereto, and when so executed, shall, unless otherwise provided by a specific provision of this First Amendment, be and become effective.
17. All references to "Agreement" contained in the Original Agreement shall be deemed to be a reference to the Original Agreement, as amended by this First Amendment. Certain capitalized terms used herein that are not otherwise defined are defined in the Original Agreement, and the terms defined in this First Amendment shall be incorporated in the Original Agreement with the same meanings as set forth herein.
18. The validity, interpretation, construction and enforceability of this First Amendment shall be governed by the laws of the State of Texas, without reference to principles of conflict of laws.
19. Except as amended by this First Amendment, the Original Agreement shall remain in full force and effect.
20. This First Amendment may be executed in one or more counterparts, and by the parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

SIGNATURE PAGE TO FOLLOW



IN WITNESS WHEREOF, the Company, NOI and the Executive have executed this First Amendment on the date first written above, which is effective as set forth herein.

**NATIONAL OILWELL VARCO L.P.**  
**By Its General Partner, NOW Oilfield Services, Inc.**

By: /s/ Clay Williams

Name: Clay Williams

Title: President

**NATIONAL OILWELL VARCO, INC.**

By: /s/ Merrill A. Miller, Jr.

Name: Merrill A. Miller, Jr.

Title: Chairman, President & Chief Executive Officer

**EXECUTIVE**

/s/ Jeremy D. Thigpen

Jeremy D. Thigpen

**SECOND AMENDMENT  
TO EMPLOYMENT AGREEMENT BETWEEN NATIONAL OILWELL VARCO L.P.,  
NATIONAL OILWELL VARCO, INC. AND JEREMY D. THIGPEN**

**THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT** (this “**Second Amendment**”) between National Oilwell Varco L.P., a Delaware limited partnership (the “Company”), National Oilwell Varco, Inc., a Delaware corporation (“NOI”), and Jeremy D. Thigpen (the “Executive”) entered into as of January 1, 2004 (the “Original Agreement”), and subsequently amended on December 22, 2008 (the “First Amendment”) is executed by the Company, NOI and the Executive on this 31st day of December, 2009, to be effective as of such date. (The Original Agreement, as amended by the First Amendment, is referred to herein as the “Agreement.”)

**WITNESSETH:**

**WHEREAS**, the Company, NOI and the Executive desire to amend the Agreement to comply with new Internal Revenue Service guidance contained in Revenue Ruling 2008-13, 2008-10 I.R.B. 518 (Mar. 10, 2008) (“Revenue Ruling 2008-13”);

**WHEREAS**, the Agreement must be amended on or before December 31, 2009 to comply with Revenue Ruling 2008-13; and

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Subclauses (A), (B) and (C) of Section 4(a)(i) of the Agreement are hereby amended and restated in their entirety to provide as follows:
  - (A) the sum of (1) Executive’s Annual Base Salary in effect for the year of Termination (the “Termination Base Salary”) through the Date of Termination to the extent not theretofore paid, (2) 50% of Executive’s Termination Base Salary; and (3) any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) shall be hereinafter referred to as the “Accrued Obligations”), and
  - (B) an amount equal to 1.5 times Executive’s Termination Base Salary, and
  - (C) an amount equal to the maximum amount of employer matching contributions that could have been credited to the Executive under the Company’s 401(k) Savings Plan (without regard to any applicable nondiscrimination tests), any other excess or supplemental retirement plan in which the Executive participates or any other deferred compensation plan during the twelve (12) month period immediately preceding the month of the Executive’s Date of Termination, such amount to be grossed up so that the amount the Executive actually receives after payment of any federal or state taxes payable thereon equals the amount first described above.
2. The last word of clause (vi) of Section 4(a) of the Agreement shall be deleted, the period at the end of clause (vii) of Section 4(a) of the Agreement shall be deleted and a semicolon and the word “and” shall be substituted at the end of such clause (vii) in lieu of the deleted period.

3. A new clause (viii) shall be added to Section 4(a) of the Agreement immediately following clause (vii) to provide as follows:  
(viii) No amounts shall be payable to Executive under any bonus plan maintained by the Company or NOI (or a similar or successor plan) for the year in which the Date of Termination occurs.
4. This Second Amendment shall be binding on each party hereto only when it has been executed by all of the parties hereto, and when so executed, shall, unless otherwise provided by a specific provision of this Second Amendment, be and become effective.
5. All references to "Agreement" contained in the Agreement shall be deemed to be a reference to the Agreement, as amended by this Second Amendment. Certain capitalized terms used herein that are not otherwise defined are defined in the Agreement and the terms defined in this Second Amendment shall be incorporated in the Agreement with the same meanings as set forth herein.
6. The validity, interpretation, construction and enforceability of this Second Amendment shall be governed by the laws of the State of Texas, without reference to principles of conflict of laws.
7. Except as amended by this Second Amendment, the Agreement shall remain in full force and effect.
8. This Second Amendment may be executed in one or more counterparts, and by the parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Company, NOI and the Executive have executed this Second Amendment to be effective as set forth herein.

**NATIONAL OILWELL VARCO L.P.**  
**By Its General Partner, NOW Oilfield Services, Inc.**

By: /s/ Raymond Chang  
Name: Raymond Chang  
Title: Vice President

**NATIONAL OILWELL VARCO, INC.**

By: /s/ Raymond Chang  
Name: Raymond Chang  
Title: Vice President

**EXECUTIVE**

/s/ Jeremy D. Thigpen  
Jeremy D. Thigpen



NEWS

Contact: Clay Williams  
(713) 346-7606

FOR IMMEDIATE RELEASE

**NATIONAL OILWELL VARCO ANNOUNCES MANAGEMENT CHANGES**

**HOUSTON, TX, December 6, 2012** — National Oilwell Varco, Inc. (NYSE: NOV) announced today that Clay Williams has been named President and Chief Operating Officer of National Oilwell Varco.

Mr. Williams has served as the Company's Executive Vice President and Chief Financial Officer since March 2005. He served as Varco International, Inc.'s Vice President and Chief Financial Officer from January 2003 until its merger with the Company in March 2005.

Jeremy Thigpen will assume the role of Senior Vice President and Chief Financial Officer. Mr. Thigpen has served as the Company's President – Downhole Pumping and Solutions since 2007. Prior to that, Mr. Thigpen was the President of the Company's Downhole Tools group from 2003 until 2007. Mr. Thigpen has been with National Oilwell Varco for 15 years, holding various positions during his career.

Pete Miller, Chairman and CEO of National Oilwell Varco, remarked, "These changes bring together an outstanding group of seasoned leaders, with a broad range of talents and abilities and a proven history of delivering results. I have worked closely with Clay and Jeremy over the years as they have both contributed to the growth and strong performance of the Company. I am excited to announce these promotions and look forward to the continued contributions of Clay and Jeremy to the success of our Company."

National Oilwell Varco is a worldwide leader in the design, manufacture and sale of equipment and components used in oil and gas drilling and production operations, the provision of oilfield services, and supply chain integration services to the upstream oil and gas industry.

Statements made in this press release that are forward-looking in nature are intended to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and may involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to documents filed by National Oilwell Varco with the Securities and Exchange Commission, including the Annual Report on Form 10-K, which identify significant risk factors which could cause actual results to differ from those contained in the forward-looking statements.

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