Section 172 (1) statement – NOV UK Holdings Limited and Subsidiaries

Subsidiaries include, but are not limited to:

National Oilwell Varco UK Limited
NOV Process & Flow Technologies UK Limited
NOV Downhole Eurasia Limited
NOV Elmar (Middle East) Limited
Section 172(1) statement

NOV UK Holdings Limited (the “Company”) (and relevant subsidiaries) are wholly-owned subsidiaries of National Oilwell Varco, Inc. (“NOV”). NOV and the Company are committed to, and recognize the importance of, good corporate governance and high ethical standards. Information on NOV’s Corporate Governance and Corporate Responsibility, including an introduction to the NOV Board of Directors and the relevant governance of the NOV group of companies, can be found at www.nov.com under the relevant section.

The Company’s directors are fully aware of their duties under Section 172 of the UK Companies Act 2006. Section 172 of the companies Act 2006 requires that *a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:*

- a) the likely consequences of any decisions in the long-term;
- b) the interests of the company’s employees;
- c) the need to foster the company’s business relationships with suppliers, customers and others;
- d) the impact of the company’s operations on the community and environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company.

The directors and senior management of the Company (and relevant subsidiaries) execute decision-making with the above principles embedded in their consideration. Stakeholder groups include shareholders, employees, customers, supplier, the local communities in which the Company operates, trade unions, pension trustees, regulators, government agencies, and non-governmental organisations.

Stakeholder engagement at the Company is conducted at the level and in a format best suited to the context and the stakeholder. Depending on the stakeholder, this engagement may occur globally, locally, regionally or functionally, and may be by the board or senior management of the Company.

The below table sets out the Company’s (and relevant subsidiaries’) key stakeholder groups, their material issues and how the Company engages with and considers the interest of each group.

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<th>Stakeholder Group</th>
<th>Material issues</th>
<th>How the Company engages and considers stakeholder interests</th>
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| Shareholders      | - Financial performance and strategy  
|                   | - Capital allocation  
|                   | - Corporate governance  | - Periodically review financial performance (actuals, budgets and forecasts) of individual business units within UK entities to protect the long-term investment of shareholders.  
|                   |                      | - Identify additional options for growth opportunities through appropriate investments in the correct markets.  
|                   |                      | - Review control procedures against NOV’s internal controls to protect shareholders’ investment. |
- Conduct appropriate dividend review, prior to approval and payment to protect the local entity.

| Employees | - Engagement and work culture  
| - Wellbeing  
| - Training and development  
| - Reward and Remuneration | - Share group financial results, to encourage employee engagement and trust that NOV is well-managed and has a strong future.

- The Company has a “speak up” culture throughout its organisation and employees have access to an anonymous ethics hotline. This helps to ensure a safe work environment where employees are happy to work.

- The Company has implemented measures to minimize hazards and reduce risk, thereby protecting health and preventing injuries to employees.

- The Company tracks voluntary attrition rates and offers exit interviews of employees when leaving the organisation. All the feedback is reviewed and provides insights to allow further engagement with employees on the Company’s work culture.

- The Company provides an employee assistance programme to help employees with any health or wellbeing issues.

- The Company offers development opportunities through training courses, such as the “Leading Others” programme, apprenticeships, and on-demand online training platforms. Regular employee surveys help managers evaluate and improve how the Company supports employee growth and work experience.

- The Company regularly utilises its tool “Performance 2.0,” which enables our employees to set, track, and achieve goals.

- The Company’s management also uses its “Talent” tool to identify
opportunities to develop strong teams and identify opportunities for employee improvement and success.

- The Company provides a competitive compensation and benefit packages, with regular reviews of the framework. This helps retain employees and attract new talent.

| Suppliers and Customers | - Cost and payment practices  
- Quality, productivity and efficiency  
- Credibility, trust, reliability and reputation  
- Innovation and expertise  
- Long-term partnerships with a collaborative approach | - The Company is committed to paying suppliers as per the contract terms and works consistently with its suppliers to make sure such terms reflect the business relationship in place.  
- Customer performance is regularly reviewed and reported to executive management, at group level.  
- The Company ensures that all suppliers provide quality products through active engagement with such suppliers.  
- The Company is committed to conducting business in a fair, transparent and competitive manner. This builds trust and long-term partnerships and results in cost savings with both suppliers and customers.  
- The Company often works with customers and suppliers to develop new, innovative solutions, which in turn promotes long-term partnerships.  
- The Company has devoted resources to further expand its intellectual property portfolio, focusing on technology that creates efficiency for all its customers. |

| Local UK Communities | - Credibility/trust/reliability and reputation  
- Long-term partnerships with a collaborative approach | - The Company believes in investing in communities in which its employees live and work. This not only strengthens community ties, but also helps the Company to build NOV’s brand awareness and reputation in the local communities and makes the Company a more attractive long-term partner for potential employee candidates, customers, and suppliers. |
- The Company supports and encourages its employees to be involved in their local communities. For example, in 2019, or NOV UK employees participated in a Christmas toy collection drive for a local charity that supports children living in poverty.

- In 2019, the Company provided donations for various causes all around the UK, including for youth football strips, a local cancer charity, and a school 3D printer.