

**TITLE: BRIBERY LAW COMPLIANCE**

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*Note: See revision record at the back page***1.0 PURPOSE**

To convey to you in the clearest possible manner that management expects all Company employees, subcontractors, agents, and consultants to conduct their business activities in full compliance with the provisions of Applicable Bribery Laws.

To acquaint you with basic provisions of Applicable Bribery Laws so that you will know what activities are clearly forbidden by it and will be able to recognize the most common types of situations that may involve violations.

To inform you of specific Company procedures related to compliance with the Applicable Bribery Laws and to strongly urge you to consult with appropriate persons whenever you have a question or concern about the propriety of any business activity, transaction, or payment.

2.0 APPLICATION

This policy applies to all Nabors employees.

3.0 DEFINITIONS

3.1 **Applicable Bribery Laws** – The Bermuda Bribery Act and the FCPA.

3.2 **Bermuda Bribery Act** – 2016 Bermuda law based on the U.K.’s Bribery Act, 2010, applicable to both individuals and corporations. The Bermuda Bribery Act prohibits all forms of bribery, including facilitating payments.

3.3 **FCPA – The United States Foreign Corrupt Practices Act** – U.S. law that forbids certain payments and other practices in connection with our business activities and requires that the Company maintain certain accounting records that accurately reflect our transactions. The FCPA carries criminal and monetary penalties for its violation and should be taken very seriously by all our employees.

3.4 **Facilitating Payments** – payments to expedite or secure the performance of “routine governmental action” by an official.

4.0 POLICY

4.1 All the Company’s activities shall be conducted in full compliance with the requirements of Applicable Bribery Laws and other applicable laws and regulations.

5.0 GENERAL CONSIDERATIONS

5.1 Management is determined that all the Company’s activities shall be conducted in full compliance with the requirements of the FCPA and other applicable laws and regulations.

5.2 Each employee must certify compliance with this policy annually.

5.3 Additionally, each business Unit head, and VP Finance shall certify compliance with this policy quarterly.

5.4 An employee who violates this policy shall be subject to disciplinary action, up to and including termination of employment.

6.0 BERMUDA BRIBERY ACT OVERVIEW

- 6.1 The Bermuda Bribery Act applies to individuals as well as companies organized or doing business in Bermuda.
- 6.2 It creates four separate offenses related to the offering or receiving of a bribe:
- Bribing – the offering, promising, or giving of a financial or other advantage.
 - Being bribed – requesting, agreeing to receive, or accepting a financial or other advantage.
 - Bribery of foreign public officials.
 - Corporate offense of failing to prevent bribery.
- 6.3 A violation occurs whether the act is committed directly or through a third party, such as an agent.
- 6.4 The corporate offense of failing to prevent bribery provides that a commercial organization is guilty of a criminal offense if it fails to prevent a person associated with such organization from bribing another person with the intention of obtaining or retaining business or an advantage in the conduct of business for that organization. The Bermuda Bribery Act does not require that the person committing the act have a connection with Bermuda, nor does the act have to take place in Bermuda.
- 6.5 The only defense for the corporate offense is for the corporation to prove it had “adequate procedures” in place designed to prevent persons associated with it from bribing.

7.0 FCPA OVERVIEW

- 7.1 The FCPA has two basic parts: the antibribery provisions and the accounting provisions.

7.1.1 Antibribery Provision

- a. U.S. corporations, and officers, employees and agents acting on their behalf, are prohibited from corruptly proposing or giving money or other things of value to a foreign official (including employees of foreign governments and of government-owned companies), an official of a foreign political party, a candidate for foreign political office, or a foreign political party for the purpose of:
- Influencing any act or decision of such an official, party or candidate, in their or its official capacity,
 - Inducing such an official, party or candidate “to do or omit to do” any act in violation of their or its lawful duty, or
 - Inducing such an official, party or candidate to use their or its influence with a foreign government or instrumentality to affect or influence any governmental act or decision, in order to assist the donor in obtaining or retaining business or directing business to any person.
- b. The FCPA imposes criminal liability on firms and individuals who make payments to third parties “knowing” that they will be used by the third-party for activities banned under the FCPA.

7.1.2 Accounting Provision

- a. The Company is required to keep accounting records that reflect in reasonable detail its financial transactions and the disposition of its assets.
- b. The Company is required to maintain internal financial controls that provide reasonable assurances regarding the propriety of transactions and the use of corporate assets.
- c. The Company’s internal financial controls related to FCPA compliance are part of the Company’s overall SOX 404 compliance program.

7.2 Facilitating Payments

- 7.2.1 The Company generally prohibits facilitating payments and seeks to avoid them except in very limited circumstances, such as when an employee's health, safety or security is at risk.
- 7.2.2 A demand by a government official for a payment that is accompanied by a physical threat is extortion, and a payment in this case would not be considered a facilitating payment. Nevertheless, such a payment should be reported to management and the Law Department as soon as possible. Such a payment, regardless of amount, must be properly recorded in the Company's books and records.
- 7.3 Violations of the FCPA can subject you and the Company to potential criminal and civil sanctions.
- 7.4 The FCPA expressly provides that whenever a fine is imposed on a corporate employee under the antibribery provisions, it may not be directly or indirectly paid by the corporation.

8.0 PROHIBITED PRACTICES

- 8.1 The practices shown below are examples of activities prohibited under the Applicable Bribery Laws. This is not an exclusive list.
 - a. The making of payments by company officers or employees or third parties acting for a corporation which could be interpreted to be bribes, kickbacks or other payments, regardless of form to or for the benefit of any government official or foreign political party or candidate for a foreign political office, in order to gain a business advantage.
 - b. The establishment of undisclosed or unrecorded funds or assets by a corporation or any of its subsidiaries.
 - c. The knowing making of false or artificial entries in the books or records of a corporation or its subsidiaries.
 - d. Corporate payments on behalf of a corporation or any of its subsidiaries authorized or made with the intention that they will be used for any purpose other than that described by supporting records.

9.0 SUSPECT SITUATIONS

- 9.1 Suspect situations have particular potential to involve violations of the Applicable Bribery Laws, shall be the subject of additional inquiry, and shall be reported to management.
 - 9.1.1 This is not an exclusive list, but an illustrative sample of typical situations that should put you on alert:
 - a. Money or property passed through a consultant to a public official to obtain certain government actions.
 - b. Use of consultants who are connected with the government or a political party of the country in which the corporation is doing business ("the country").
 - c. Gifts or gratuities to employees of government-owned companies, other government officials or political party officials, candidates for public office, or their families in the country.
 - d. Extravagant entertaining of employees of government-owned companies, other government officials or party leaders or their families in the country.
 - e. Any indirect payments to government officials or their families.
 - f. Use of company facilities by such government officials.
 - g. Requests for significant cash advances for travel to foreign countries.
 - h. Expenditures from petty cash funds without supporting documentation.
 - i. Any request that a commission or other payment be made in a third country or to another name.

- j. Failure to follow normal invoicing procedures.
 - k. Payments in excess of normal fees to customs agents or officials to obtain clearance of items through customs or importation of equipment into a country.
 - l. Payments to tax agents or officials to secure favorable treatment.
- 9.2 There have been a significant number of prosecutions and enforcement actions involving agents, subcontractors, and consultants (“Consultants”).
- 9.2.1 The following is a list of prudent procedures regarding relationships with such individuals:
- a. Consultants should be investigated prior to engagement to ascertain their experience, capability, reputation, character, and educational and work background. A written report of the investigation should be made.
 - b. Relationships with Consultants should be reduced to a written contract specifying the services to be performed and all compensation, including commissions, to be paid therefor.
 - c. Each Consultant shall agree in writing that they are aware of the Applicable Bribery Laws, will take no action in violation thereof, and will make no payment nor transfer anything of value, directly or indirectly, to any foreign official, political candidate, political party or official thereof, to influence any decision or to obtain or retain business.
 - d. Commissions or other compensation should be in amounts that are reasonable and customary in relationship to the services provided.
 - e. Commissions and other compensation shall be properly reflected in the Company’s records and financial statements.
 - f. Agreements with Consultants should include a statement that the Company’s auditors and accountants will be granted access to the Consultants’ books and records.
 - g. A signed statement of continuing compliance with the Applicable Bribery Laws should be obtained from each Consultant upon their receipt of each successive payment of a commission or other type of compensation.
 - h. Any contract between the Company and a foreign government (or instrumentality thereof) should include a clause that the latter acknowledges that it is aware of the agreement with the Consultant, all persons connected therewith, and all financial terms related thereto.
 - i. Consultant invoices should contain specific itemized descriptions for services performed and be accompanied by adequate supporting documentation for disbursements made on the Company’s behalf. Discrepancies should be documented.

10.0 SPECIAL CONSIDERATIONS REGARDING CUSTOMER CONTRACTS

- 10.1 All customer contracts to be performed outside of the United States should include language prohibiting either party from making payments in violation of the Applicable Bribery Laws and shall be reviewed in accordance with the Company’s Contract Review policies and procedures.

11.0 QUESTIONS OR CONCERNS

- 11.1 Questions concerning the Applicable Bribery Laws shall be directed to the Law Department.
- 11.2 Employees are urged to ask questions whenever they have even the slightest reason to doubt the propriety of a particular activity, transaction, or payment.
- 11.3 If an employee is aware of or suspects that Company personnel, agents, consultants, or other representatives are violating or have violated the Applicable Bribery Laws, the employee shall immediately contact the Law Department and report such information.

REVISION RECORD

Revision	Date	Description of Revision	Paragraph / Appendix
0	October 18, 2018	Issued. Replaces: NCS 200.50.6, Foreign Corrupt Practices Act Compliance.	All
1	March 14, 2021	Updated and revised by Nabors Board during 2020's fall. Title was changed Bribery Law Compliance.	A complete overhaul was done to all the bullets except for 5.1, 5.2, 5.4
2	September 23, 2021	Updated to be aligned with DEI initiative (ESG requirements) and new EQD policy template.	7.1.1 (a) bullet points, 9.2.1 (a), (c) (g)