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|---|----------------------------|
|  | Effective Date: 11/15/2017 |
| | Revision Date: 10/25/17 |
| | Revision No. 2 |
| | Page 1 of 7 |
| Anti-Corruption & Anti-Bribery Policy | |

I. PURPOSE

It is the policy of NOW Inc. (“DNOw”) that DNOw and its subsidiary and affiliate companies (collectively referred to as the “Company”) shall comply fully with all anti-corruption and anti-bribery laws (collectively referred to as “AC/AB” laws) applicable in the countries where Company conducts business, including but not limited to the U.S. Foreign Corrupt Practices Act of 1977, as amended (“FCPA”), and the U.K. Bribery Act 2010 (“UKBA”). This Policy summarizes some of the key provisions of AC/AB laws and outlines the procedures to be followed by the Company.

II. BACKGROUND

United States and international enforcement of AC/AB laws is at an all-time high, making it important for all individuals involved in international business to understand and comply with these laws. Some AC/AB laws focus on the identity of the recipient while others do not. For example, the FCPA makes it unlawful to offer an improper payment to a “Government Official”¹ whereas the UKBA makes it unlawful to offer an improper payment to any individual or organization in the public or private sector as well as to a foreign government official. For the avoidance of doubt, improper payments are against DNOw policy regardless of the identity of the recipient. Companies found to be in violation of AC/AB laws have been the subject of criminal and civil enforcement actions, resulting in large fines and restrictions on doing business with U.S. and EU governments. In addition, violations of AC/AB laws can result in fines, penalties and/or jail time for the individuals involved in such violations. **Nonetheless, any bribe or other improper payment to any person is strictly forbidden by this policy.**

III. APPLICABILITY

This Policy applies to all directors, officers, employees, agents, representatives, and joint venture partners of the Company worldwide.

IV. AC/AB LAW PROVISIONS

AC/AB laws and this Policy prohibit the improper giving (or offering, promising, or authorizing payment) of anything of value to any person or entity for an improper purpose, such as to obtain or retain business or to obtain a business advantage. When considering AC/AB laws and their requirements, keep in mind the following:

1. **Applicability of AC/AB Laws** — U.S. companies, U.S. entities, and U.S. persons are subject to the FCPA’s anti-bribery provisions even when operating outside the U.S. Non-U.S. persons are subject to these provisions to the extent they carry out any part of a prohibited activity in the U.S., and the actions of non-U.S. persons may also subject a U.S. company to liability. In addition to the FCPA, various other U.S. laws broadly prohibit bribery of any person. The UKBA’s applicability is focused on UK entities, individuals, and conduct. Most other countries in which DNOw conducts business also have their own AC/AB Laws which must be followed when applicable. **This Policy requires all directors, officers, employees, agents, representatives,**

¹ “Government Official” shall include any individual (i) holding an official government position, (ii) performing any governmental duties (including consulting or ceremonial), or (iii) having any employment relationship with any government, government department, or government agency or instrumentality (including any government-owned or government-controlled commercial enterprise, such as a government-controlled oil company). The term also includes any public international organization, political party or candidates for political office, and any person otherwise categorized as a government official under a local law.

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| <p style="text-align: center;">DISTRIBUTION</p>  | Effective Date: 11/15/2017 |
| | Revision Date: 10/25/17 |
| | Revision No. 2 |
| | Page 2 of 7 |
| Anti-Corruption & Anti-Bribery Policy | |

and joint venture partners of the Company worldwide to comply with all applicable AC/AB laws.

2. **Corruption/Bribery** — In addition to the FCPA and UKBA, most countries in which the Company operates also have laws, regulations, ordinances, and/or rules that have been enacted to eliminate corruption and bribery. Under these AC/AB laws, improper payments to any person are strictly prohibited. These AC/AB laws also prohibit the receiving, offering, promising, authorizing, directing, or making of any bribe, kickback, and/or payment of money or anything of value for an improper purpose, such as to obtain or retain business, or any other advantage, whether it be for a company and/or for the individual.

3. **Anything of Value** — Enforcement authorities acting under AC/AB laws have broadly interpreted “anything of value” to include items other than money, including but not limited to entertainment, travel, gifts, favors, charitable donations, educational placement, business opportunities, tax advantages, and employment (which may in certain circumstances include unpaid positions).

4. **Improper Purpose** — AC/AB laws prohibit payments or transfers of anything of value made for an “improper purpose” such as to assist in (i) obtaining or retaining business, (ii) directing business to any person or company, or (iii) obtaining any other business advantage. Improper purpose has been interpreted by enforcement authorities broadly to include not just anything of value provided to obtain business or a contract, but also anything of value provided to obtain any other advantage, such as the reduction of taxes or customs duties. Thus, a bribe or corrupt transfer of anything of value given to any person for a business-related purpose is likely prohibited by AC/AB laws.

5. **A Bribe Need Not Be Successful** — A bribe or corrupt transfer of anything of value need not succeed in its purpose for there to be a violation under AC/AB laws. The offer, or even the promise of a bribe or corrupt transfer of anything of value, can violate AC/AB laws.

6. **Indirect Payments and “Knowledge”** — AC/AB laws also prohibit *indirect* payments or transfers of anything of value made through an agent, sales representative, consultant, joint venture partner, or other third party when there is knowledge or belief that the payment or thing of value will be used by such third party to corruptly influence the ultimate recipient for an improper purpose. A company or individual has such “knowledge” if the company or individual knows, or is willfully blind to the high probability, that the payment or thing of value will be used to corruptly influence the ultimate recipient. Accordingly, it is important for the Company to conduct appropriate due diligence on agents and other third parties who will act on the Company’s behalf. Notwithstanding the foregoing, under the UKBA, the Company could be held strictly liable for indirect payments made by such agents and other third parties who act on Company’s behalf, meaning that even without a finding of “knowledge”, as required by some AC/AB laws, the Company could be found to have violated the law.

V. FCPA ACCOUNTING PROVISIONS

The FCPA requires companies whose stock is publicly traded in the U.S. (such as DNOW) to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the company’s transactions and dispositions of the company’s assets. In addition, companies are required to devise and maintain a system of internal accounting controls sufficient to assure management’s control, authority, and responsibility over the company’s assets.

| | |
|---|----------------------------|
|  | Effective Date: 11/15/2017 |
| | Revision Date: 10/25/17 |
| | Revision No. 2 |
| | Page 3 of 7 |
| Anti-Corruption & Anti-Bribery Policy | |

VI. AC/AB COMPLIANCE GUIDELINES

Prohibited Payments

DNOW strictly prohibits all directors, officers, employees, agents, representatives, and joint venture partners of the Company from giving, offering, promising, authorizing, or receiving a payment or anything of value to or from **any person** for an improper purpose, such as to obtain or retain business, to direct business to any company or any person or to obtain a business advantage. This Policy also prohibits the improper **indirect** payment or transfer of anything of value for an improper purpose, such as to obtain or retain business, to direct business to any company or any person or to obtain a business advantage through the use of third parties.

Prohibited Payments — Facilitating Payments for Routine Governmental Actions

“Facilitating” or “expediting” payments are payments made to speed up or secure routine and non-discretionary government actions, such as processing a visa or scheduling an inspection by a government official. Although the FCPA provides that such payments may be permissible in certain circumstances, other AC/AB laws do not allow such payments. **Accordingly, it is DNOW’s policy to prohibit facilitation payments.**

Expedited services that are offered by the government to process a request or perform a service for a higher fee as an alternative to the normal processing time are not considered facilitation payments (and therefore are not prohibited by this Policy) if the following conditions are met: (i) the fee at issue is a government approved and published fee, (ii) the fee is paid to the government’s treasury and not directly to the government official’s own pocket, and (iii) the employee obtains and retains an official government receipt listing the expedited fee.

The safety and wellbeing of our employees is our number one priority. If an employee is threatened with violence or imminent physical harm if a facilitating or expediting payment is not made, DNOW considers this extortion and in these rare occasions, the payment can be made. The employee must immediately report this payment to their manager, the Legal Department and the Corporate Compliance Department and the payment must be accurately and completely recorded in DNOW’s books and records. It is DNOW’s policy that such payments shall receive careful scrutiny and any payments not meeting this standard shall not be reimbursed.

AC/AB Compliance Due Diligence on Third Parties

Because AC/AB laws prohibit **indirect** payments when there is “knowledge” that the payment or thing of value will be used to corruptly influence the ultimate recipient, DNOW will conduct appropriate due diligence, as determined by DNOW’s Chief Compliance Officer, on all agents, sales representatives, consultants, joint venture partners, and other third parties acting for or on behalf of the Company. DNOW also will require, as determined by DNOW’s Chief Compliance Officer, that such agents, sales representatives, consultants, joint venture partners, and other third parties acting for or on behalf of the Company sign written contracts in which they represent and warrant that they will comply with applicable AC/AB laws.

Permissible Payments – Payments for Reasonable and Bona Fide Expenses

Generally speaking, AC/AB laws permit payments, gifts, offers, or promises of anything of value which are reasonable and bona fide expenses. Such expenses may include travel or lodging expenses, incurred by or on behalf of a person, if such expenses are directly related to a promotion, demonstration or explanation of products or services or the execution or performance of a contract.

| | |
|---|----------------------------|
|  | Effective Date: 11/15/2017 |
| | Revision Date: 10/25/17 |
| | Revision No. 2 |
| | Page 4 of 7 |
| Anti-Corruption & Anti-Bribery Policy | |

Travel or entertainment expenditures will violate AC/AB laws where such payments are made “corruptly,” that is, with the intent to wrongfully influence the actions of the recipient. Any travel and entertainment expense not directly related to a business purpose is prohibited.

Political Contributions

No political contribution with money from the Company can be made without obtaining prior written approval from the Chief Compliance Officer or the General Counsel, even if such contributions are permitted under the written local law of the relevant country.

Charitable Contributions

No charitable contribution with money or in-kind donations from the Company can be made without obtaining prior written approval from the Chief Compliance Officer or the General Counsel.

Penalties

The penalties for violating AC/AB laws can be severe. Companies which violate AC/AB laws may be assessed significant fines and individuals who violate AC/AB laws may face jail time in addition to monetary fines. For example, an individual who violates the FCPA anti-bribery provisions may be imprisoned for up to 5 years and subject to a fine of up to \$250,000 (or an alternate fine that could be much greater). Additionally, penalties incurred for violations of the FCPA accounting provisions may be even higher. An individual who violates the UKBA may be imprisoned for up to 10 years and subject to an unlimited fine.

In addition to the penalties listed above, any officer or employee of the Company who violates AC/AB laws or this Policy will be subject to disciplinary action, up to and including termination for cause. Any director, agent, representative, or joint venture partner of the Company should similarly expect to have their contracts terminated for cause if they violate any AC/AB laws or this Policy. The Company will actively seek to recoup any losses that it incurs as a result of a violation of any of these AC/AB laws or this Policy from the individual or entity that carried out the prohibited conduct. **The Company will not reimburse any fines or penalties for violations of AC/AB laws except where required by law or contract.**

Reporting Violations

If you suspect or believe that a violation of AC/AB laws and/or this Policy has occurred, you should report it to DNOW’s Compliance or Legal Department. You also have the option of making a report to DNOW’s anonymous Ethics & Compliance Hotline (visit <http://www.distributionnow.ethicspoint.com> for applicable country dialing information) or via email to Risk.Mitigation@dnw.com.

Training and Education

DNOW has implemented and maintains a program to provide periodic AC/AB education and training to all directors, officers, and employees of the Company who: (1) are part of Company management; (2) work in accounting, sales, marketing, or legal; (3) are involved in the selection and/or supervision of agents, representatives, and joint venture partners of the Company; or (4) have control over the Company’s funds or have responsibility for recording transactions that impact the Company’s books and records.

| | |
|--|----------------------------|
|  | Effective Date: 11/15/2017 |
| | Revision Date: 10/25/17 |
| | Revision No. 2 |
| | Page 5 of 7 |
| Anti-Corruption & Anti-Bribery Policy | |

Although the statutory regimes surrounding AC/AB laws can be complex, the U.S. Department of Justice (“DOJ”) and the U.S. Securities and Exchange Commission (“SEC”), as well as the UK Ministry of Justice, have released guidance regarding AC/AB laws and how to ensure compliance with such laws. Text of the FCPA and UKBA, as well as guidance regarding both laws, can be found at the following links:

| Document | Location |
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| FCPA statute | http://www.justice.gov/criminal/fraud/fcpa/docs/fcpa-english.pdf |
| A Resource Guide to the U.S. Foreign Corrupt Practices Act | http://www.justice.gov/criminal/fraud/fcpa/guidance/guide.pdf |
| UK Bribery Act 2010 statute | http://www.legislation.gov.uk/ukpga/2010/23/contents |
| The Bribery Act 2010 Guidance about procedures which relevant commercial organisations can put into place to prevent persons associated with them from bribing | http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf |

While the above referenced documents provide helpful guidance, these sources should not be used in lieu of the Company’s Corporate Compliance Department and any questions or requests for guidance on this Policy or AC/AB laws should be directed to the Corporate Compliance Department.

Annual Statement of Compliance

Annually, the Company will require its officers, directors, employees, representatives, agents, and joint venture partners to submit a statement of compliance with AC/AB laws.

VII. GIFTS, ENTERTAINMENT, AND TRAVEL

The Company and its officers, directors, employees, representatives, agents, and joint venture partners must always use good judgment and moderation when offering and accepting business gifts or entertainment. While there may be times when it’s appropriate to provide “reasonable” business courtesies in the context of a business relationship, always look for potential conflicts of interest and the appearance of impropriety.

Giving Business Gifts

Giving a business gift to a Government Official is permissible without pre-approval only if all of the following requirements are met:

1. The gift given is of nominal value and does not exceed U.S. \$250 per person, regardless of the level of the recipient.
2. A gift is not given to the same recipient by anyone at the Company more frequently than twice per year.

| | |
|---|----------------------------|
|  | Effective Date: 11/15/2017 |
| | Revision Date: 10/25/17 |
| | Revision No. 2 |
| | Page 6 of 7 |
| Anti-Corruption & Anti-Bribery Policy | |

3. The gift is given for a legitimate business purpose.
4. The gift is given openly rather than secretly.
5. The gift is not given in cash, or cash equivalents such as gift cards.
6. The gift does not violate local laws or any other applicable law.
7. The gift is consistent with any policies of the recipient's employer.
8. The gift is not expected or intended to impose a sense of obligation on the recipient or otherwise exchanged for a "quid pro quo" (i.e., offered for something in return).
9. The gift is accurately and fully reported and recorded in the Company's books and records.

Gifts that do not fall within the standards set forth above must be approved in writing before the gifts are given by both (i) a Vice President or higher of the applicable business unit and (ii) the Corporate Compliance Department.

Notwithstanding the foregoing, the following gifts are never permissible and cannot be approved:

1. Gifts that are illegal under local or applicable laws and/or violate applicable the internal policies of the recipient's employer.
2. Gifts that involve cash or cash equivalents (i.e., gift cards or gift certificates).
3. Gifts that are "quid pro quo" (i.e., offered for something in return).
4. Gifts of services or other non-tangible benefits (i.e., promise of employment or actual employment).
5. Gifts to family members.

The furnishing of tickets/fees to or for an entertainment or sporting event or venue is regarded as the giving of a gift unless the recipient is accompanied to the event or venue by a Company employee, in which case it is considered entertainment.

The requirements for gift giving to Government Officials herein should also be regarded as a guide for the giving of gifts to private company officials, and the standards set forth herein should not be exceeded for such gifts without written approval of a responsible manager.

For full details of the requirements that must be met for giving a gift, please refer to the Company's Gift Giving and Entertainment Policy and Procedures for Foreign Government Officials.

Entertainment

"Entertainment" for the purposes of this policy includes a Company employee accompanying a customer to an event to discuss Company business and/or build a business relationship. Entertainment also includes Company hosted events where customers are invited and the Company pays for the event. Meals are also considered entertainment when a Company employee takes a customer to breakfast, lunch or dinner.

| | |
|---|----------------------------|
|  | Effective Date: 11/15/2017 |
| | Revision Date: 10/25/17 |
| | Revision No. 2 |
| | Page 7 of 7 |
| Anti-Corruption & Anti-Bribery Policy | |

Providing entertainment to a Government Official is permissible without the pre-approval only if all of the following requirements are met:

1. The entertainment is provided to discuss Company business and/or to build a business relationship.
2. The cost of the entertainment is reasonable and is not lavish or extravagant.
3. The entertainment provided does not violate the policies of the recipient's employer.
4. The entertainment provided does not violate DNOW's Code of Business Conduct and Ethical Standards or any other Company policies.

Entertainment that does not fall within the standards set forth above must be approved in writing before the entertainment is provided by both (i) a Vice President or higher of the applicable business unit and (ii) the Corporate Compliance Department,

The requirements for providing entertainment to Government Officials herein should also be regarded as a guide for providing entertainment to private company officials, and the standards set forth herein should not be exceeded for such entertainment without written approval of a responsible manager.

For full details of the requirements that must be met for giving providing entertainment, please refer to the Company's Gift Giving and Entertainment Policy and Procedures for Foreign Government Officials.

Customer Travel Paid for or by Company

In the course of doing business it may be necessary and proper for the Company to pay for the travel expenses of a customer to visit a Company facility for a valid business purpose. Some examples of valid business travel include travel required under a contract for the inspection of the goods prior to shipment, to provide product training, to showcase a new product, or similar business reasons. It is the Company's preference that the travel be paid for by the Company directly to the vendor but reimbursement to the customer or the customer's entity incurring the expense is allowed when the exact charges incurred by the customer or the customer's entity are substantiated with proper documentation. The travel must be in line with Company's Travel Policy. The following are prohibited:

- Travel arrangements (flights and hotels) for layovers in non-essential business locales,
- Spouse travel arrangements (without consideration to whether such travel arrangements, in aggregate, might be less expensive), and
- Travel for extra days that are not supported by a valid business justification.

VIII. VIOLATIONS

Failure to adhere to the standards and procedures set out in this policy may subject employees to disciplinary measures up to and including dismissal from employment.