

**NOW INC.  
("COMPANY")**

**CHARTER OF THE NOMINATING/CORPORATE  
GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS**

**ADOPTED MAY 1, 2014**

**I. Purpose**

A. The Nominating/Corporate Governance Committee (the "Committee") is appointed by the Board of Directors (the "Board") to assist the Board in fulfilling its oversight responsibilities. The Committee's primary purposes and functions are:

- ensuring that the Board and its committees are appropriately constituted so that the Board and directors may effectively meet their fiduciary obligations to stockholders and the Company;
- identifying individuals qualified to become Board members and recommending to the Board director nominees for each annual meeting of stockholders and candidates to fill vacancies in the Board;
- recommending to the Board annually the directors to be appointed to Board committees;
- monitoring, reviewing, and recommending, when necessary, any changes to the Corporate Governance Guidelines of the Company (the "Guidelines"); and
- monitoring and evaluating annually the effectiveness of the Board and management of the Company, including their effectiveness in implementing the policies and principles of the Guidelines.

B. The Committee shall have the sole authority, at the Company's expense, to retain and terminate, as necessary, any search firm to be used to assist the Committee in identifying director candidates, including the sole authority to approve such search firm's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors it deems necessary in the performance of its duties. The Company shall at all times make adequate provisions for the payment of all fees and other compensation, approved by the Committee, to any consultants or experts employed by the Committee.

**II. Structure and Operations**

A. Composition. The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be determined by the Board to meet the

independence requirements of the Securities and Exchange Commission, the New York Stock Exchange and the Guidelines (as each may be modified or supplemented).

B. Appointment and Removal. Committee members shall be appointed by the Board on the recommendation of the Committee and shall serve until such member's successor is duly appointed or until such member's earlier resignation, death or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

C. Chairman. If a Committee Chair is not designated by the Board, the members of the Committee may designate a Chair by majority vote of the Committee members.

D. Meetings.

1. The Committee shall meet at least twice annually, or more frequently as circumstances dictate. The Chairman of the Board or any member of the Committee may call meetings of the Committee. All meetings may be held telephonically. A majority of the members of the Committee shall constitute a quorum. The Committee may act by unanimous written consent, when deemed necessary or desirable by the Committee or its Chair.

2. The Chair of the Committee, with input from the other members of the Committee and the representatives of the Company's senior management designated by the Chief Executive Officer, shall develop the agenda for each Committee meeting.

3. The Committee may request any officer or employee of the Company or the Company's counsel to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

E. Subcommittees. The Committee shall not be authorized to create any subcommittees.

### **III. Nominating/Corporate Governance Committee Responsibilities and Duties**

A. Recommend Nominees for Election as Directors. The Committee shall recommend to the Board the director nominees for each annual meeting of shareholders and persons to fill vacancies in the Board that occur between meetings of shareholders. In discharging this responsibility, the Committee shall:

1. with respect to directors to be nominated to stand for re-election, consider matters such as attendance at Board and committee meetings, conflicts of interest, and other relevant factors;

2. determine the desired skills and attributes for new directors to serve on the Board;

3. evaluate prospective Board members, including candidates suggested by shareholders, whose skills and attributes reflect those desired;

4. interview prospective candidates and ascertain whether they meet the qualifications for director set forth in the Guidelines;

5. secure approval by the entire Board of each nominee for election as a Director or each person selected to fill a vacancy on the Board; and

6. approve extending an invitation to join the Board if the invitation is proposed to be extended by any person other than the Chair of the Committee.

**B. Recommend Appointments.**

1. The Committee, in consultation with the Chair of the Board, and after considering the desires, experience and expertise of individual Directors, shall make a recommendation and report to the Board regarding the assignment of Directors to Committees, including the designation of Committee Chairs. Committees and their Chairs shall be appointed by the Board annually at the annual organizational meeting of the Board. It is the Board's policy that only Directors who at all times meet the independence and other requirements of applicable laws, listing requirements and the Guidelines shall serve on the Company's standing Committees.

2. Annually, the Committee shall recommend to the non-employee Directors an independent Director to serve as the Company's Lead Director.

**C. Evaluate the Board, its Committees and their Members.**

1. The Committee shall conduct an annual review and evaluation of the conduct and performance of the Board, its members, the Board's committees and their members based upon completion by each director of an evaluation form circulated in connection with such review and evaluation. The evaluation form shall include questions designed to solicit an assessment of:

a. the size, composition and independence of the Board and each committee of which a Director is a member;

b. the adequacy of committee charters;

c. access to and review of information from management by the Board and each committee on which a Director is a member, and the quality of such information;

d. the performance of the members of the Board and each committee of which each Director is a member;

e. the Board's responsiveness to shareholder concerns;

f. maintenance and implementation of the Company's Code of Ethics (as defined in Company's Code of Business Conduct and Ethics for Members of the Board of Directors and Executive Officer);

g. review of, approving or ratifying as appropriate, all “related party transactions” involving directors in accordance with the Company’s Code of Business Conduct and Ethics for Members of the Board of Directors and Executive Officers with respect to the related party transactions and making recommendations to the Board regarding the continued independence of each Board member; and

h. maintenance and implementation of the Guidelines.

2. The review shall seek to identify specific areas, if any, in need of improvement or strengthening, including the need for the creation of additional committees, and the results shall be summarized in a report by the Committee that is presented to the full Board during the fourth regularly scheduled Board meeting in each year. The Board shall discuss the report and consider any recommendations set forth therein. The Board may request that any member who receives unfavorable performance reviews from at least a majority of the other members of the Board or any committee upon which he or she serves resign from the Board or any such committee.

D. Monitor and Evaluate the Corporate Governance Matters.

1. The Committee shall review the Company’s corporate governance documents, policies and procedures. In carrying out this responsibility, the Committee shall:

a. review periodically the adequacy of the certificate of incorporation and bylaws of the Company and recommend to the Board, as necessary, that it propose amendments to those documents for consideration by the shareholders;

b. determine whether the Guidelines are being effectively adhered to and implemented;

c. ensure that the Guidelines are appropriate for the Company and comply with applicable laws, regulations and listing standards;

d. recommend any desirable changes in the Guidelines to the Board during the fourth regularly scheduled Board meeting in each year; and

e. consider any other corporate governance issues that may arise from time to time, and develop appropriate recommendations to the Board.

E. Board Orientation and Continuing Education. The Committee, working with the Company’s senior management, shall be responsible for the development of an orientation program for new Directors, which shall be designed both to familiarize new Directors with the full scope of the Company’s business and key challenges and to assist new Directors in developing and maintaining the skills necessary or appropriate for the discharge of their responsibilities. The program should include background material, meetings with senior management and visits to the Company’s key facilities.

F. Review of Management Succession Plans. The Committee shall be responsible for planning for succession in the senior management ranks of the Company, including the office of

Chief Executive Officer. The Chief Executive Officer shall report to the Committee at the time of the fourth regularly scheduled Board meeting in each year regarding the processes in place to identify talent within the Company to succeed to senior management positions and the information developed during the current calendar year pursuant to those processes.

G. Other Nominating/Corporate Governance Committee Responsibilities.

1. The Committee shall discharge the following additional responsibilities:
  - a. perform any other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate, including a review and assessment of this Charter at least annually and the submission of any recommended changes therein to the Board at its fourth regularly scheduled meeting in each year;
  - b. consider at least annually and recommend to the Board suggested changes, if any, in the size of the Board;
  - c. review the corporate governance disclosures in the Company's proxy statement for each annual meeting of shareholders;
  - d. approve service by the Chief Executive Officer or any other member of senior management on the board of directors of any company if the Committee deems such service appropriate and desirable under the circumstances;
  - e. receive, evaluate and formulate a recommendation to the Board regarding any resignation letter received from a non-management director upon his or her resignation or retirement from, or termination of, his or her principal current employment, or other similar change in professional occupation or association; and
  - f. maintain minutes of meetings and periodically report to the Board on significant results of the foregoing activities.