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| The U.S Export & Economic Sanctions Policy | | |

I. PURPOSE

This policy statement summarizes the applicable provisions of the U.S. Export Controls and Economic Sanctions, including but not limited to those implemented by the Department of Commerce, through its Export Administration Regulations (EAR), and those of the Treasury Department, issued through its Office of Foreign Assets Control (OFAC), and sets forth the procedures to be followed by directors, officers, employees, agents and representatives of NOW Inc. ("DNO") and its subsidiaries and affiliates, including its foreign subsidiaries (collectively referred to as the "Companies").

II. APPLICABILITY

This policy statement applies to the Company officers, directors, employees, agents, distributors, and representatives worldwide.

III. RESPONSIBILITY


The senior management of DNO, with the advice of the compliance group, shall have ultimate responsibility for the implementation of this policy statement. Company corporate and business unit officers and managers (hereinafter collectively "Management") are, within their respective segments of the Company, responsible for taking all appropriate steps to ensure compliance with this policy statement, and to detect and prevent violations of applicable economic sanctions and export controls.

Management officials are responsible for disseminating this policy statement to all Company personnel who report to them.

IV. POLICIES

DNO policy prohibits doing business with companies or individuals located in Cuba*, Iran, Sudan, Syria, or North Korea.

*Because of the difficulty of determining what goods are of U.S. origin or contain U.S. content and because of the risks associated with accidentally violating U.S. law, DNO's Canadian, European, and Mexican entities have decided that they will not do business with Cuba. As a result of these actions, no DNO company can do business with Cuba.

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Mandatory Compliance

Management is committed to strict compliance with all economic sanctions & export controls as they apply to the Company and its operations. It shall be a condition of employment that all employees become familiar with and comply with this policy.

The Company, and its officers and employees shall strictly comply in all respects with the economic sanctions & export controls to the full extent that they are applicable. An overview of economic sanctions & export controls requirements is set forth in more detail in the Export Compliance Policy and Procedures.

Economic sanctions requirements apply to:

- 1) All activities by DNOW and subsidiaries and affiliates of DNOW, including overseas branches, wherever those activities are undertaken; and,
- 2) All activities by Company officers and employees wherever those activities are undertaken.

If any Company officer or employee is in doubt about an issue regarding compliance with economic sanctions, he or she shall contact DNOW's compliance group at CorporateCompliance@dnw.com.

Penalties for Noncompliance


Violations of economic sanctions & export controls can result in criminal prosecution and administrative enforcement actions and severe penalties, both for the Company and for the individuals who are involved, including imprisonment and fines.

Any failure to comply with any applicable economic sanctions requirement or any requirement of DNOW's Economic Sanctions Compliance Program represents grounds for disciplinary action by the Company, including dismissal.

Compliance Procedures

To the extent that economic sanctions & export controls apply to the activities of a business unit, the Management of that unit shall ensure that there are appropriate procedures to detect and prevent violations of economic sanctions & export controls requirements. Such procedures shall, among other things, require screening of transactions for:

- Any involvement (e.g. ownership of a customer) of countries and governments that are the subject of economic sanctions and export controls.

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- The various US government lists.
- The DNOW Black/Watch list.

Economic Sanctions and Export Controls Compliance Education and Training

The compliance group will keep Management and other relevant employees educated with respect to economic sanctions and export controls compliance by:

- Maintaining information regarding economic sanctions and export controls on the Company intranet; and,
- Providing training to Management and employees.

Recordkeeping

The Company shall maintain full and accurate records of all transactions that are subject to economic sanctions requirements. All such transactions must be authorized by regulation or by license issued by the U.S. Government. Such records must be retained for at least five years from the date of the transaction. Management is responsible for implementing this policy and coordinating it with DNOW's compliance group.

Reporting Violations:

If you suspect or believe that a violation of this policy has occurred, you should report it to the confidential DNOW Hotline.