

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) November 20, 2019

NOW INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36325
(Commission
File Number)

46-4191184
(IRS Employer
Identification No.)

7402 North Eldridge Parkway
Houston, Texas
(Address of principal executive offices)

77041
(Zip Code)

Registrant's telephone number, including area code: 281-823-4700

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	DNOW	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

The description of the employment agreement between NOW Inc. (the “Company”) and Richard Alario is incorporated by reference into this Item 1.01.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously disclosed, on November 1, 2019, the Board of Directors (the “Board”) of the Company appointed Richard Alario, a member of the Board, to serve as the Company’s interim Chief Executive Officer. On November 20, 2019, the Company entered into an employment agreement effective as of November 1, 2019 with Mr. Alario in connection with his service as interim Chief Executive Officer. Under the agreement, he is entitled to receive an annual base salary of \$850,000 and also receives a housing allowance of \$4,000 per month due to the fact that Mr. Alario’s permanent residence is not in Houston, Texas. Mr. Alario is not eligible for the Company’s annual bonus plan, but may receive incentive awards in the discretion of the Board, such as the award of 208,877 shares of phantom stock which were awarded to Mr. Alario in connection with the execution of the employment agreement. There are no severance payments contemplated under the agreement. Mr. Alario is also subject to various Company policies regarding invention assignment, confidentiality, business ethics, insider trading and related matters.

The foregoing description of Mr. Alario’s employment agreement is qualified in its entirety by reference to the full text of the employment agreement which is filed with this Current Report on Form 8-K as Exhibit 10.1.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits*

- 10.1 [Employment Agreement between the Company and Richard Alario.*](#)
- 10.2 [Phantom Share Agreement between the Company and Richard Alario.*](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 21, 2019

NOW INC.

/s/ Raymond W. Chang

Raymond W. Chang

Vice President & General Counsel

November 20, 2019

Dick Alario
DistributionNOW
7402 N. Eldridge Parkway
Houston, Texas 77041

Re: Employment with DNOW L.P. (the "Company")

Dear Mr. Alario:

You have been requested by the Company's board of directors (the "Board") to assume an executive officer role of the Company. As such, you and the Company have agreed to enter this Agreement (this "Agreement") effective as of November 1, 2019 (the "Effective Date").

Title/Reporting Relationship

Your title is Chief Executive Officer ("CEO") and you report to the Board. However, you acknowledge and agree that you are an interim CEO, and that the Board is conducting a search for a permanent CEO who will replace you when hired by the Company, and that you will cooperate with the search for and hiring of the permanent CEO.

Responsibilities

You shall have the authority, duties and responsibilities that are normally associated with and inherent in the capacity in which you will be performing and shall have such other or additional duties which are not inconsistent with your position, as may from time to time be reasonably assigned to you by the Board. Your current directorship on the Board of the Company shall continue unaffected by this Agreement provided that you will not be an independent director.

While employed by the Company, you will devote the necessary time, attention and efforts to the affairs of the Company to perform faithfully and efficiently your duties and responsibilities. You shall perform the services required by this Agreement at the Company's present principal place of business or from such other location(s) as may be mutually agreed by you and the Company; provided, however, that your responsibilities for the Company may require you to conduct temporary travel to other domestic and international locations on business for the Company consistent with the business needs of the Company. During the term of your employment, it shall not be a violation of this Agreement for you to engage in outside activities that do not materially interfere with performance of your responsibilities under this Agreement as set forth on Exhibit 1 hereto or as approved by the Board in advance.

You acknowledge and agree that you owe a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Company and its affiliates and to do no act and to make no statement, oral or written, which would injure the business, interests or reputation of the Company or its affiliates.

Base Compensation

Your base compensation will be \$850,000.00 per year (the "Base Compensation"). Base Compensation will be payable while you are employed hereunder in accordance with Company's payroll policies in effect from time to time, subject to such payroll and withholding deductions as may be required by law and, if applicable, other deductions (consistent with the Company's policy for all employees) relating to your election to participate in the Company's incentive, savings, retirement and other employee benefit plans.

Housing Allowance

You will receive \$4,000.00 per month as a housing allowance while you are employed hereunder.

Annual Discretionary Incentive Bonus/Benefits

You will not be eligible to participate in the Company's annual bonus/incentive plan.

Equity Incentive Awards

From time to time, you may be eligible for additional incentive awards of nonstatutory stock options, restricted stock or phantom stock issued pursuant to the Company's Plan then in effect. The issuance of such awards will be determined by, and to be at the sole discretion of, the Board. Such Incentive Award amounts will be based on the achievements of you and the Company and shall be subject to and governed by the terms of the applicable plan and award agreement.

You will be granted the Phantom Shares identified in the Now Inc. Long-Term Incentive Plan Phantom Share Agreement on November 20, 2019. The Phantom Shares, including their vesting, will be governed by that Phantom Share Agreement.

Vacation

During the term of your employment, you shall be entitled to annual paid vacation pursuant to the Company's vacation policy as in effect from time to time but not less than fifteen (15) days during each one-year period commencing on the Effective Date. The use of any vacation time not taken during the applicable one-year period will be subject to the Company's vacation policy.

Plans

Employee is entitled to participate in any Company-provided or Company-sponsored employee benefit plans, program, or policies for which employees in positions comparable to Employee's position are generally eligible. Employee recognizes that such benefits and eligibility for the benefits will be governed by their respective terms and conditions and that the benefits and benefit plans may be changed over time with advanced notice to employees.

Indemnification

If not already so covered, the Company will cause you to be covered by its director and officer insurance policies as they are in effect from time to time for its executive officers.

Reimbursement of Business Expenses

You may from time to time during the term of your employment incur various business expenses customarily incurred by persons holding positions of like responsibility, including, without limitation, travel expenses incurred for the benefit of the Company. Subject to complying with the Company's policy regarding the reimbursement of such expenses as in effect from time to time during the term of your employment, which does not necessarily allow reimbursement of all such expenses, the Company shall reimburse you for such expenses from time to time, at your request, and you shall account to the Company for all such expenses. Subject to complying with the Company's policy regarding the reimbursement of expenses as in effect from time to time during the term of your employment and your accounting to the Company for such expenses, the Company shall provide such reimbursement on a monthly basis through the bi-weekly cash payments of Base Compensation.

Clawback Provisions

Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation, or any other compensation, paid to you pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

At-Will Employment

You will be employed as an at-will-employee for all purposes, which means that your employment may be terminated with no further obligation at any time, at the election of either you or the Company, for any reason or no reason, upon thirty (30) days advance written notice.

Compliance with Company Policies

You agree to comply with all applicable policies, rules and regulations of the Company, including each as in effect from time to time.

Termination of Employment

You shall be entitled to the payment of your Base Compensation through the date of your termination and all other benefits payable subject to the terms of the applicable Company benefit plan documents. No other amount will be payable upon your termination of employment with the Company and its affiliates for any reason.

Other Agreements

You acknowledge, understand and agree that as a condition to the Company's execution of this Agreement, you are bound by, and shall be obligated to comply with, the Employee Invention and Confidential Information Agreement, Code of Conduct, Insider Training Policy, Business Ethics Policy, Sexual Harassment Policy, and Drug & Alcohol Testing and Search Policy (the "Employee Agreements"). It is further acknowledged, understood and agreed by that the covenants made by you as set forth in the Employee Agreements are essential elements of your employment and that, but for your agreement to comply with such covenants, the Company would not have hired you.

Internal Revenue Code Section 409A Compliance

(a) This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended and rules and regulations thereunder (the "Code") to the extent any payment hereunder constitutes nonqualified deferred compensation under Section 409A of the Code.

(b) With respect to any reimbursement of expenses, as specified under this Agreement, such reimbursement of expenses shall be subject to the following conditions: (1) the expenses eligible for reimbursement in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year; (2) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (3) the right to reimbursement shall not be subject to liquidation or exchange for another benefit.

(c) If at the time of your termination of employment with the Company and its affiliates, you are a "specified employee" as defined in Section 409A of the Code and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or excise tax or penalty under Section 409A of the Code, the Company will defer commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to you and without any interest) and such payments shall be paid to you in a single lump sum as soon as practicable (and in all events within 15 days) after the date that is six months following your termination of employment with the Company and its affiliates (or the earliest date as is permitted under Section 409A of the Code without any accelerated or additional tax).

(d) The preceding provision, however, shall not be construed as a guarantee by the Company or its affiliates of any particular tax effect to you under this Agreement. The Company and its affiliates shall not be liable to you for any payment made under this Agreement that is determined to result in an additional tax, penalty, or interest under Section 409A of the Code, nor for reporting in good faith any payment made under this Agreement as an amount includible in gross income under Section 409A of the Code.

(e) "Termination of employment," "resignation," or words of similar import, as used in this Agreement means, for purposes of any payments under this Agreement that are payments of nonqualified deferred compensation subject to Section 409A of the Code, your "separation from service" as defined in Section 409A of the Code.

Defense of Claims

You agree that, during the term of this Agreement and for a period of two (2) years after the date of termination, upon request from the Company, you will reasonably cooperate with the Company and its affiliates in the defense of any claims or actions that may be made by or against the Company or any of its affiliates that affect your prior areas of responsibility, except if your reasonable interests are adverse to the Company or its affiliates in such claim or action. To the extent travel is required to comply with the requirements of this covenant, the Company shall, to the extent possible, provide you with notice at least 15 business days prior to the date on which such travel would be required. The Company agrees to promptly pay or reimburse you upon demand for all of your reasonable travel and other direct expenses incurred, or to be reasonably incurred, to comply, with your obligations under this section.

Choice of Law, Venue, Waiver of Jury Trial

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW. THE EXCLUSIVE VENUE FOR CONDUCTING ANY LEGAL ACTION, SUIT, OR PROCEEDING WITH RESPECT TO THE ENFORCEMENT OF OR ANY MATTER ARISING UNDER OR IN CONNECTION WITH, OR CONTEMPLATED BY THIS AGREEMENT, INCLUDING THE CONDUCT OF ANY ARBITRATION OR OTHER ALTERNATIVE DISPUTE RESOLUTION PROCEEDINGS, SHALL BE HARRIS COUNTY, TEXAS, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS LOCATED IN HARRIS COUNTY, TEXAS IN ANY SUIT, ACTION OR PROCEEDING AND WAIVES ANY OBJECTION BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS. IN ADDITION, EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION TO VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY

JUDGMENT ENTERED BY ANY COURT IN RESPECT THEREOF IN THE SPECIFIED COURTS, AND HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT OR IMPROPER FORUM.

Arbitration

(a) If any dispute or controversy arises between you and the Company relating to (1) this Agreement in any way or arising out of the parties' respective rights or obligations under this Agreement or (2) your employment or the termination of such employment, then either party may submit the dispute or controversy to arbitration under the then-current Commercial Arbitration Rules (the "Rules") of the American Arbitration Association (the "AAA"). Any arbitration hereunder shall be conducted before a panel of three arbitrators unless the parties mutually agree that the arbitration shall be conducted before a single arbitrator. The arbitrators shall be selected (from lists provided by the AAA) through mutual agreement of the parties, if possible. If the parties fail to reach agreement upon appointment of arbitrators within twenty (20) days following receipt by one party of the other party's notice of desire to arbitrate, then within five (5) days following the end of such 20-day period, each party shall select one arbitrator who, in turn, shall within five (5) days jointly select the third arbitrator to comprise the arbitration panel hereunder. The site for any arbitration hereunder shall be in Harris County, Texas, unless otherwise mutually agreed by the parties, and the parties hereby waive any objection that the forum is inconvenient.

(b) The party submitting any matter to arbitration shall do so in accordance with the Rules. Notice to the other party shall state the question or questions to be submitted for decision or award by arbitration. Notwithstanding anything herein to the contrary, you shall be entitled to seek specific performance of your right to be paid during the pendency of any dispute or controversy arising under this Agreement. In order to prevent irreparable harm, the arbitrator may grant temporary or permanent injunctive or other equitable relief for the protection of property rights.

(c) The arbitrator shall set the date, time and place for each hearing, and shall give the parties advance written notice in accordance with the Rules. Any party may be represented by counsel or other authorized representative at any hearing. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1 et. seq. (or its successor). The arbitrator shall apply the substantive law and the law remedies, if applicable) of the State of Texas to the claims asserted to the extent that the arbitrator determines that federal law is not controlling.

(d) Any award of an arbitrator shall be final and binding upon the parties to such arbitration, and each party shall immediately make such changes in its conduct or provide such monetary payment or other relief as such award requires. The parties agree that the award of the arbitrator shall be final and binding and shall be subject only to the judicial review permitted by the Federal Arbitration Act.

(e) The parties hereto agree that the arbitration award may be entered with any court having jurisdiction and the award may then be enforced as between the parties, without further evidentiary proceedings, the same as if entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. You and the Company hereby agree that a judgment upon any award rendered by an arbitrator may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(f) Each party shall pay any monetary amount required by the arbitrator's award, and the fees, costs and expenses for its own counsel, witnesses and exhibits, unless otherwise determined by the arbitrator in the award. The compensation and costs and expenses assessed by the arbitrator(s) and the AAA shall be split evenly between the parties unless otherwise determined by the arbitrator in the award. If court proceedings to stay litigation or compel arbitration are necessary, the party who opposes such proceedings to stay litigation or compel arbitration, if such party is unsuccessful, shall pay all associated costs, expenses, and attorney's fees which are reasonably incurred by the other party as determined by the arbitrator.

No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and nothing herein expressed or implied will give or be construed to give to any person, other than the parties hereto, any legal or equitable rights hereunder.

Headings. Headings and captions contained in this Agreement are inserted as a matter of convenience and for reference only and in no way define, limit, extend or prescribe the scope of this Agreement or the intent of any provision.

Independent Legal and Tax Advice. You have been advised and you hereby acknowledge that you have been advised to obtain independent legal and tax advice regarding this Agreement and any payments hereunder including, without limitation, under Code Section 409A. You acknowledge that none of the Company, its affiliates or any of their officers, directors, employees or agents guarantee or are otherwise responsible for any tax consequences to you in connection with this Agreement and any payments hereunder under any federal, state, local domestic or foreign law including, without limitation, under income taxes, excise taxes or penalties under Code Section 409A.

Notices. Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing, signed by the party giving or making such notice, and shall be deemed to be given when delivered personally, by e-mail or by a reputable overnight courier service and, in each case, addressed as follows (or if it is sent through any other method agreed upon by the Parties):

If to the Company, to:

DNOW, L.P.
Attention: General Counsel
7402 N. Eldridge Parkway
Houston, Texas 77041

If to you, to:

Dick Alario
7402 N. Eldridge Parkway
Houston, TX 77041

Interpretation. The parties acknowledge and agree that each party has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties and not in favor or against either party.

Successors and Assigns. This Agreement is binding on and is for the benefit of the parties and their respective successors, assigns, heirs, executors, administrators, and other legal representatives. Neither this Agreement nor any right or obligation hereunder may be assigned by you. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. As used in the Agreement, the "Company" shall mean both the Company as defined in the first paragraph of the Agreement and any such successor that assumes this Agreement, by operation of law or otherwise, and in the case of an acquisition of the Company in which the corporate existence of the Company continues, the ultimate parent company following such acquisition.

Severability. Any provision of this Agreement (or portion thereof) which is deemed invalid, illegal, or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this paragraph, be ineffective to the extent of such invalidity, illegality, or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal, or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal, and enforceable. No waiver of any provision or violation of this Agreement by the Company shall be implied by the Company's forbearance or failure to take action.

Taxes

All payments to you hereunder are subject to all applicable federal, state and local taxes and withholding requirements, and the Company and its affiliates shall have the authority to withhold all applicable taxes pursuant to all applicable laws.

Entire Agreement; No Oral Amendments

This Agreement, together with any document, policy, rule or regulation referred to herein, replaces all previous agreements and discussions relating to the same or similar subject matter between you and the Company and constitutes the entire agreement between you and the Company with respect to the subject matter of this Agreement. This Agreement may not be modified in any respect by any verbal statement, representation or agreement made by any executive, officer, or representative of the Company or by any written agreement unless signed by an officer of the Company who is expressly authorized by the Company to execute such document.

Execution in Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties. This Agreement may be executed and delivered by an electronic transmission of a manually executed counterpart of this Agreement by means of a facsimile machine, transmission of a .pdf or .tiff computer file or by other electronic means, and each such execution and delivery shall have the same effect as the physical delivery of a manually executed counterpart of this Agreement.

[Signature Page Follows]

Please feel free to contact me if you have any questions.

Sincerely yours,

DNOW L.P.

/s/ Raymond Chang

Name: Raymond Chang

Title: Vice President

I hereby accept these terms of employment.

/s/ Dick Alario

Name: Dick Alario

Date: November 20, 2019

NOW INC.
LONG-TERM INCENTIVE PLAN

Phantom Share Agreement

Grantee: **Richard Alario**
Date of Grant: **November 20, 2019**
Number of Phantom Shares Granted: **208,877**

1. Notice of Grant. NOW Inc. (the “Company”) is pleased to notify you that you have been granted the above number of Phantom Shares (the “Phantom Shares”) of the Company pursuant to the NOW Inc. Long-Term Incentive Plan (the “Plan”), subject to the terms and conditions of the Plan and this Agreement.

2. Vesting of Phantom Shares. Subject to the further provisions of Section 3 below, the Phantom Shares shall become vested on the first anniversary of the Date of Grant.

3. Accelerated Vesting. Upon the occurrence of any of the following events, and provided you execute the Release Agreement described in Section 3(c) below, the Phantom Shares shall vest on an accelerated basis as provided below:

(a) Involuntary Termination. The Phantom Shares shall be fully vested upon your Involuntary Termination. As used in this paragraph, “Involuntary Termination” means the Company terminates your employment with the Company other than for Cause, death or Disability. For purposes of this Agreement:

(i) “Cause” shall mean you have (1) engaged in gross negligence or willful misconduct in the performance of your duties and responsibilities respecting your position with the Company; (2) willfully refused, without proper legal reason, to perform the duties and responsibilities respecting your position with the Company; (3) been convicted of or entered into a plea of no contest or equivalent to a felony or a misdemeanor involving moral turpitude; or (4) engaged in an act of dishonesty or impropriety which materially impairs your effectiveness in your position with the Company; and

(ii) “Disability” means your absence from your duties with the Company on a full-time basis for ninety (90) consecutive calendar days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to you or your legal representative.

(b) Good Reason. The Phantom Shares shall be fully vested upon your resignation for Good Reason. As used in this paragraph, “Good Reason” means the occurrence, without your express written consent, of any one (1) or more of the following:

(i) a material diminution in your annual base salary;

(ii) a change in the location of your principal place of employment by fifty (50) miles or more from the location where you are principally employed; or

(iii) a material reduction in the nature or scope of your title, authorities, powers, functions, responsibilities or duties attached to your position with the Company;

You shall provide written notice to the Company of any event or condition upon which you intend to rely as the basis for a Good Reason termination of employment within thirty (30) days of the occurrence of such event or condition. You will be deemed for all purposes of this Agreement to have expressly consented to any such event or condition if you do not provide such notice within thirty (30) days of the occurrence of such event or condition. The Company shall have thirty (30) days following the receipt of such notice to remedy the event or condition and, if so remedied, any termination of your employment hereunder on the basis of the circumstances described in such notice shall not be considered a Good Reason termination of employment.

(c) Release Agreement. As a condition to the acceleration of vesting and payment of your Phantom Shares, you (or your executor, legal guardian, or other legal representative in the case of your death or Disability) shall execute and not revoke a waiver and release of all claims against the Company, its subsidiaries, its affiliates, its officers and its directors in a form reasonably acceptable to the Company (the "Release Agreement") within twenty-one (21) days following your receipt of the Release Agreement.

4. Issuance of Shares of Stock; Dividend Payments.

Upon vesting and satisfying all applicable tax withholding obligations, the Company shall issue to you, on a date (the "Settlement Date") within thirty (30) days following the date your Phantom Shares become vested (as described in Sections 2 and 3 above), a number of whole shares of Stock equal to your vested Phantom Shares, rounded down to the nearest whole number. Such shares of Stock shall not be subject to any restriction on transfer other than any such restriction as may be required under local law. On the Settlement Date, the Company may pay to you cash in lieu of any fractional share of Stock represented by a fractional Phantom Share subject to this Award in an amount equal to the Fair Market Value on the vesting date of such fractional share of Stock. In addition, the Company may, to the extent required by local law, pay to you cash in lieu of any shares of Stock otherwise payable under this Section 4.

Your grant of Phantom Shares does not provide to you any stock ownership rights until the date the Company issues to you shares of Stock under the preceding paragraph.

No later than the last day of each calendar quarter, the Company shall pay to you an amount equal to the aggregate per share cash dividend paid during the quarter multiplied by the number of your Phantom Shares outstanding pursuant to this Award Agreement (without interest), less any required withholding or other taxes which the Company determines, in its discretion, to be due in connection with such payments. Once shares of Stock have been issued to you, no further payments will be made under the preceding sentence.

5. Nontransferability of Phantom Shares. You may not sell, transfer, pledge, exchange, hypothecate or dispose of Phantom Shares in any manner otherwise than by will or by the laws of descent or distribution. A breach of these terms of this Agreement shall cause a forfeiture of your Phantom Shares.

6. Entire Agreement; Governing Law. These Phantom Shares constitute awards of Phantom Shares for purposes of the Plan and are granted under and governed by the terms and conditions of the Plan, this Agreement and any country specific addendum to this Agreement. In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement. The Plan is incorporated herein by reference. The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof, and may not be modified adversely to your interest except by means of a writing signed by the Company and you. This Agreement is governed by the internal substantive laws, but not the choice of law rules, of the state of Texas.

7. Withholding of Tax. To the extent that the grant or vesting of Phantom Shares results in the receipt of compensation by you with respect to which the Company or a Subsidiary has a tax withholding obligation pursuant to applicable law, unless other arrangements have been made by you that are acceptable to the Company or such Subsidiary, which, with the consent of the Company (or the Committee if you are subject to Section 16(b) of the Exchange Act), may include withholding a number of Shares that would otherwise be delivered on vesting that have an aggregate Fair Market Value that does not exceed the amount of taxes to be withheld, you shall deliver to the Company or the Subsidiary such amount of money as the Company or the Subsidiary may require to meet its withholding obligations under such applicable law. No delivery of shares of Stock shall be made under this Agreement until you have paid or made arrangements approved by the Company or the Subsidiary to satisfy in full the applicable tax withholding requirements of the Company or Subsidiary.

Regardless of any action the Company or Subsidiary that employs you takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company or Subsidiary that employs you (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Award, the vesting of the Award, the settlement of the Award into shares of Stock or the receipt of an equivalent cash payment, the subsequent sale of any shares of Stock acquired pursuant to the Award and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items.

If your country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company or Subsidiary may withhold a portion of the shares of Stock otherwise issuable upon vesting of the Award that have an aggregate Fair Market Value sufficient to pay the minimum Tax-Related Items required to be withheld by the Company or Subsidiary with respect to the shares of Stock. The cash equivalent of the shares withheld will be used to settle the obligation to withhold the Tax-Related Items. No fractional shares of Stock

will be withheld or issued pursuant to the grant of the Award and the issuance of shares of Stock hereunder. Alternatively, the Company or Subsidiary may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from your salary or other amounts payable to you, with no withholding in shares of Stock. In the event the withholding requirements are not satisfied through the withholding of shares of Stock or, through your salary or other amounts payable to you, no shares of Stock will be issued to you (or your estate) in settlement of the Award unless and until satisfactory arrangements (as determined by the Company) have been made by you with respect to the payment of any Tax-Related Items which the Company or Subsidiary determines, in its sole discretion, must be withheld or collected with respect to such Award. By accepting this Award you expressly consent to the withholding of shares of Stock and/or cash as provided for hereunder. All other Tax-Related Items related to the Award and any shares of Stock delivered in payment thereof are your sole responsibility.

8. Forfeiture in Certain Circumstances (“Clawback”) The Committee may, at its sole discretion, terminate this Award if it determines that the recipient of the Award has engaged in material misconduct. For purposes of this Clawback provision, material misconduct includes conduct adversely affecting the Company’s financial condition, results of operations, or conduct which constitutes fraud or theft of Company assets, any of which require the Company to make a restatement of its reported financial statements. The Committee may also specify other conduct requiring the Company to make a restatement of its publicly reported financial statements as constituting material misconduct in future Award Agreements. If any material misconduct results in any error in financial information used in the determination of compensation paid to the recipient of an Award and the effect of such error is to increase the payment amount pursuant to an Award, the Committee may also require the recipient to reimburse the Company for all or a portion of such increase in compensation provided in connection with any such Award. In addition, if there is a material restatement of the Company’s financial statements that affects the financial information used to determine the compensation paid to the recipient of the Award, then the Committee may take whatever action it deems appropriate to adjust such compensation.

[Signature Page Attached]

NOW INC.

By: /s/ Raymond Chang

Name: Raymond Chang

Title: Vice President & General Counsel

RICHARD ALARIO

/s/ Richard Alario

Signature