

**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): December 2, 2021

DRIL-QUIP, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

6401 N. Eldridge Parkway
Houston, Texas
(Address of principal executive offices)

001-13439
(Commission
File Number)

74-2162088
(I.R.S. Employer
Identification No.)

77041
(Zip Code)

Registrant's telephone number, including area code: (713) 939-7711

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 (see General Instruction A.2):

- 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, \$.01 par value per share	DRQ	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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Dril-Quip, Inc. (the “Company” or “Dril-Quip”) announced today that its Board of Directors (the “Board”) has appointed Kyle F. McClure as its Vice President and Chief Financial Officer, effective as of January 1, 2022. Mr. McClure, 46, served as Chief Financial Officer of Airswift, a global workforce solutions company, from June 2019 until December 2021. Prior to joining Airswift, Mr. McClure served as Senior Vice President and Chief Financial Officer of Frank’s International, a provider of engineered tubular services to the oil and gas industry, from March 2017 until June 2019, and before that as Treasurer of Frank’s International from March 2015 until March 2017. Prior to joining Frank’s International, Mr. McClure served in a variety of finance and accounting roles of increasing responsibility at Ascend Performance Materials, Cooper Industries plc and Dell Technologies.

McClure Employment Agreement

In connection with his appointment, the Company entered into an employment agreement with Mr. McClure on December 2, 2021 (the “McClure Employment Agreement”) effective as of January 1, 2022 (the “Effective Date”). The McClure Employment Agreement has an initial term commencing on the Effective Date and ending on December 31, 2024, but the term of this agreement will automatically extend for additional one-year periods unless either the Company or Mr. McClure notifies the other party at least 90 days in advance of the expiration of the then-current term that the agreement will not be extended. Mr. McClure will be an “at-will” employee of the Company, and his employment may be terminated at any time in accordance with the McClure Employment Agreement.

Pursuant to the McClure Employment Agreement, Mr. McClure will receive an annual base salary of \$400,000 and will be eligible to receive an annual bonus to be determined each year in accordance with the Company’s normal bonus practices and under any annual bonus plan adopted by the Company after the Effective Date. Mr. McClure will also be entitled to 20 days paid time off subject to the Company’s policies, and he will be eligible to receive benefits consistent with other senior executives of the Company, including medical, life and disability insurance. Mr. McClure will also be entitled to participate in the Company’s incentive, savings and retirement plans.

Mr. McClure will also be entitled to a cash sign-on bonus of \$200,000 (payable in January 2022). Mr. McClure must repay such bonus in the event he voluntarily terminates his employment without “good reason” (as defined in the McClure Employment Agreement) within 12 months of the Effective Date. Mr. McClure will also be granted an initial equity award with a grant date fair market value of \$1,700,000 (the “Initial Equity Grant”) with (i) \$1,000,000 of the Initial Equity Grant granted in the form of restricted stock that vests in one-third tranches on October 28th of each of 2022, 2023 and 2024, subject to Mr. McClure’s continuous employment with the Company on such vesting dates, and (ii) the remaining \$700,000 of the Initial Equity Grant in the form of performance-based stock units that vest on October 28, 2024, subject to Mr. McClure’s continuous employment with the Company on such vesting date, in each case subject to the terms and conditions set forth in the 2017 Incentive Plan of the Company and the applicable award agreements in a form previously approved by the by the Compensation Committee of the Board.

If Mr. McClure’s employment is terminated by the Company without “cause” (as defined in the McClure Employment Agreement) or by Mr. McClure for good reason and prior to a “change of control period” (as defined in the McClure Employment Agreement), Mr. McClure will receive the following payments and benefits: (i) a lump sum cash payment equal to one times Mr. McClure’s annual base salary and (ii) continued medical, dental, vision and life insurance coverage until the earlier of Mr. McClure’s receipt of equivalent coverage and benefits under the plans of a subsequent employer or one year after the date of termination. Mr. McClure’s receipt of these payments and benefits is subject to his execution and non-revocation of a release of claims and his continued compliance with the confidentiality, non-competition and non-solicitation covenants set forth in the McClure Employment Agreement as well as any post-separation obligations included in any other agreement between the Company and Mr. McClure.

If Mr. McClure’s employment is terminated during a change of control period by the Company without cause or by Mr. McClure for good reason, Mr. McClure will receive the following payments and benefits: (i) a lump sum cash payment equal to two times Mr. McClure’s annual base salary, (ii) a lump sum cash payment equal to a pro rata portion of the greater of the annual bonus for the year of termination or the average annual bonus amount paid for the three most recent “performance periods” (as defined in the McClure Employment Agreement), (iii) a lump sum cash payment in an amount equal to two times the greater of the annual bonus for the year of termination or the average annual bonus amount paid for the three most recent performance periods, (iv) unless greater benefits are otherwise provided under the applicable award agreements, immediate vesting of any stock options, restricted stock

awards or performance stock units (with performance awards vesting at target) previously granted to Mr. McClure and outstanding as of the time immediately prior to the date of his termination and the extension of the exercise period (if applicable to an award) until the earlier of the first anniversary of the date of termination and the expiration date of the award and (v) continued medical, dental, vision and life insurance coverage until the earlier of Mr. McClure's receipt of equivalent coverage and benefits under the plans of a subsequent employer or two years after the date of termination. Mr. McClure's receipt of these payments and benefits is subject to his execution and non-revocation of a release of claims and his continued compliance with the confidentiality, non-competition and non-solicitation covenants set forth in the McClure Employment Agreement as well as any post-separation obligations included in any other agreement between the Company and Mr. McClure.

In addition, Mr. McClure is subject to a perpetual covenant not to use or disclose the Company's trade secrets or confidential information and non-competition and non-solicitation covenants during the term of his employment and for 12 months following his termination.

The foregoing summary of the McClure Employment Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the McClure Employment Agreement, a copy of which is filed as Exhibit 10.1 hereto.

McClure Indemnification Agreement

The Company also will enter into an indemnification agreement with Mr. McClure, effective January 1, 2022, pursuant to which the Company agrees to indemnify him to the fullest extent permitted by applicable law, from and against any and all losses, liabilities, claims, damages and certain expenses arising out of an event or occurrence related to the fact that he is an officer of the Company or serves in another position at the request of the Company. The indemnification agreement is substantially similar to the Company's indemnification agreements with its other executive officers and directors. The foregoing description is qualified by reference to the terms of the indemnification agreement, a copy of the form of which is provided as Exhibit 10.2.

The selection of Mr. McClure was not pursuant to any agreement or understanding between him and any other person. There is no family relationship between Mr. McClure and any director or executive officer of the Company. There are no transactions between Mr. McClure and the Company that are required to be reported under Item 404(a) of Regulation S-K.

Webster Employment Agreement

The Company entered into an employment agreement with James C. Webster, its Vice President, General Counsel and Secretary, on December 2, 2021 (the "Webster Employment Agreement") effective as of January 1, 2022 (the "Effective Date"). The Webster Employment Agreement has an initial term commencing on the Effective Date and ending on December 31, 2024, but the term of this agreement will automatically extend for additional one-year periods unless either the Company or Mr. Webster notifies the other party at least 90 days in advance of the expiration of the then-current term that the agreement will not be extended. Mr. Webster will be an "at-will" employee of the Company, and his employment may be terminated at any time in accordance with the Webster Employment Agreement.

Pursuant to the Webster Employment Agreement, Mr. Webster will receive an annual base salary of \$360,000 and will be eligible to receive an annual bonus to be determined each year in accordance with the Company's normal bonus practices and under any annual bonus plan adopted by the Company after the Effective Date. Mr. Webster will also be entitled to 20 days paid time off subject to the Company's policies, and he will be eligible to receive benefits consistent with other senior executives of the Company, including medical, life and disability insurance. Mr. Webster will also be entitled to participate in the Company's incentive, savings and retirement plans.

If Mr. Webster's employment is terminated by the Company without "cause" or by Mr. Webster for "good reason" (each term as defined in the Webster Employment Agreement) and prior to a "change of control period" (as defined in the Webster Employment Agreement), Mr. Webster will receive the following payments and benefits: (i) a lump sum cash payment equal to one times Mr. Webster's annual base salary and (ii) continued medical, dental, vision and life insurance coverage until the earlier of Mr. Webster's receipt of equivalent coverage and benefits under the plans of a subsequent employer or one year after the date of termination. Mr. Webster's receipt of these payments and benefits is subject to his execution and non-revocation of a release of claims and his continued compliance with the confidentiality, non-competition and non-solicitation covenants set forth in the Webster Employment Agreement as well as any post-separation obligations included in any other agreement between the Company and Mr. Webster.

If Mr. Webster's employment is terminated during a change of control period by the Company without cause or by Mr. Webster for good reason, Mr. Webster will receive the following payments and benefits: (i) a lump sum cash payment equal to two times Mr. Webster's annual base salary, (ii) a lump sum cash payment equal to a pro rata portion of the greater of the annual bonus for the year of termination or the average annual bonus amount paid for the three most recent "performance periods" (as defined in the Webster Employment Agreement), (iii) a lump sum cash payment in an amount equal to two times the greater of the annual bonus for the year of termination or the average annual bonus amount paid for the three most recent performance periods, (iv) unless greater benefits are otherwise provided under the applicable award agreements, immediate vesting of any stock options, restricted stock awards or performance stock units (with performance awards vesting at target) previously granted to Mr. Webster and outstanding as of the time immediately prior to the date of his termination and the extension of the exercise period (if applicable to an award) until the earlier of the first anniversary of the date of termination and the expiration date of the award and (v) continued medical, dental, vision and life insurance coverage until the earlier of Mr. Webster's receipt of equivalent coverage and benefits under the plans of a subsequent employer or two years after the date of termination. Mr. Webster's receipt of these payments and benefits is subject to his execution and non-revocation of a release of claims and his continued compliance with the confidentiality, non-competition and non-solicitation covenants set forth in the Webster Employment Agreement as well as any post-separation obligations included in any other agreement between the Company and Mr. Webster.

In addition, Mr. Webster is subject to a perpetual covenant not to use or disclose the Company's trade secrets or confidential information and non-competition and non-solicitation covenants during the term of his employment and for 12 months following his termination.

As of the Effective Date, the Webster Employment Agreement will supersede that certain Employment Agreement, dated December 8, 2011, by and between the Company and Mr. Webster.

The foregoing summary of the Webster Employment Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Webster Employment Agreement, a copy of which is filed as Exhibit 10.3 hereto.

Item 7.01 Regulation FD Disclosure.

On December 2, 2021, the Company issued a press release announcing, among other things, the appointment of Mr. McClure as its Vice President and Chief Financial Officer, effective as of January 1, 2022, and the entry into the McClure Employment Agreement, which will become effective as of January 1, 2022. A copy of this press release is attached to this Current Report on Form 8-K as Exhibit 99.1, which is incorporated by reference herein.

The information in the press release is being furnished, not filed, pursuant to Item 7.01. Accordingly, the information in the press release will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement by and between the Company and Kyle F. McClure dated December 2, 2021.
10.2	Form of Indemnification Agreement (incorporated herein by reference to the Company's Current Report on Form 8-K filed on October 17, 2005).
10.3	Employment Agreement by and between the Company and James C. Webster dated December 2, 2021.
99.1	Press Release issued December 2, 2021.
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

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.

DRIL-QUIP, INC.

By: /s/ James C. Webster

James C. Webster

Vice President, General Counsel and Secretary

Date: December 3, 2021

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (this “**Agreement**”), dated as of December 2, 2021 by and between **DRIL-QUIP, INC.**, a Delaware corporation (the “**Company**”), and Kyle F. McClure (the “**Executive**”) shall become effective as of January 1, 2022 (the “**Effective Date**”).

WITNESSETH:

WHEREAS, the Company desires to employ the Executive as the Company’s Vice President and Chief Financial Officer; and

WHEREAS, in entering into this Agreement, the Company desires to provide the Executive with substantial incentives to serve the Company as one of its senior executives performing at the highest level of leadership and stewardship, without distraction or concern over minimum compensation, benefits or tenure, manage the Company’s future growth and development, and maximize the returns to the Company’s stockholders; and

WHEREAS, the Executive shares these objectives and desires to serve as the Company’s Vice President and Chief Financial Officer on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, effective as of the Effective Date, the Company and the Executive hereby enter into this Agreement:

1. **Employment.** The Company agrees that the Company or an Affiliate will employ the Executive, and the Executive agrees to be employed by the Company or an Affiliate, for the period set forth in Section 2, in the position and with the duties and responsibilities set forth in Section 3, and upon the other terms and conditions herein provided. Unless otherwise defined in another section of this Agreement, capitalized terms used herein shall have the meanings set forth in Section 12.

2. **Employment Term.** The employment of the Executive by the Company under this Agreement shall commence as of the Effective Date and shall terminate on December 31, 2024 (the “**Initial Expiration Date**”). Such employment under this Agreement shall automatically be extended for additional one-year periods unless either the Company or the Executive notifies the other party at least 90 days in advance of the Initial Expiration Date that it will not be so extended and, thereafter, will be further extended automatically on each subsequent anniversary of the Initial Expiration Date for additional one-year periods unless either the Company or the Executive notifies the other party at least 90 days in advance of the next anniversary of the Initial Expiration Date that it will not be so extended. The period of the Executive’s employment under this Agreement shall be referred to herein as the “**Employment Term.**” In the event that one party notifies the other in accordance with this Section 2 that it does not wish the Employment Term to be extended, no further extensions of the Employment Term shall occur and this Agreement shall terminate at the end of the then current Employment Term. The foregoing notwithstanding, if a Change of Control occurs during the Employment Term, the Company shall not cause the Employment Term to end pursuant to this Section 2 until after the Change of Control Period ends. During the Employment Term, the Executive shall be an “at will” employee of the Company, and the Executive’s employment may be terminated at any time in accordance with Section 5.

3. Positions and Duties.

(a) During the Employment Term, the Executive shall serve in the position of Vice President and Chief Financial Officer of the Company and shall have such duties, functions, responsibilities and authority commensurate with such position. The Executive shall report directly to the President and Chief Executive Officer of the Company.

(b) During the Employment Term, the Executive shall devote the Executive's full time, skill and attention, and the Executive's reasonable best efforts to the business and affairs of the Company, and in furtherance of the business and affairs of its Affiliates, to the extent necessary to discharge faithfully and efficiently the duties and responsibilities delegated and assigned to the Executive herein or pursuant hereto, except for usual, ordinary and customary periods of vacation and absence due to illness or other disability; *provided, however*, that the Executive may (i) serve on industry-related, civic or charitable boards or committees, (ii) with the approval of the Company's Board of Directors (the "**Board**"), serve on corporate boards or committees, (iii) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (iv) manage the Executive's personal investments, so long as such activities do not significantly interfere with the performance and fulfillment of the Executive's duties and responsibilities as an employee of the Company or an Affiliate in accordance with this Agreement and, in the case of the activities described in clause (ii) of this proviso, will not, in the good faith judgment of the Board, constitute an actual or potential conflict of interest with the business of the Company or an Affiliate.

(c) In connection with the Executive's employment hereunder, the Executive shall be based at the headquarters of the Company in Houston, Texas, subject, however, to required travel for the business of the Company and its Affiliates.

(d) All services that the Executive may render to the Company or any of its Affiliates in any capacity during the Employment Term shall be deemed to be services required by this Agreement and consideration for the compensation provided for herein.

4. Compensation and Related Matters.

(a) **Base Salary.** During the Employment Term, the Company shall pay to the Executive an annual base salary of \$400,000 ("**Base Salary**"), payable in accordance with the Company's normal payroll practices as in effect from time to time, less withholding for taxes and deductions for other appropriate items. During the Employment Term, the Executive's Base Salary shall be subject to such increases (but not decreases), if any, as may be determined from time to time by the Board in its sole discretion; *provided, however*, that the Executive's Base Salary shall be reviewed by the Board at least annually, with a view to making such upward adjustment, if any, as the Board deems appropriate. The term "Base Salary" as used in this Agreement shall refer to the Base Salary as so increased. Payments of Base Salary to the Executive shall not be deemed exclusive and shall not prevent the Executive from participating in any employee benefit plans, programs or arrangements of the Company and its Affiliates in

which the Executive is entitled to participate. Payments of Base Salary to the Executive shall not in any way limit or reduce any other obligation of the Company hereunder, and no other compensation, benefit or payment to the Executive hereunder shall in any way limit or reduce the obligation of the Company regarding the Executive's Base Salary hereunder.

(b) Annual Bonus. For each 12-month period ending December 31 during the Employment Term (the "**Performance Period**"), the Executive shall be eligible to receive an annual cash bonus (the "**Annual Bonus**") in accordance with the Company's normal bonus practices or under any Annual Bonus plan or program adopted by the Company after the Effective Date. Any such Annual Bonus shall be paid in a single lump-sum payment not later than March 15 of the calendar year immediately following the Performance Period to which such bonus relates; *provided, however*, that if March 15 is not a Business Day, such payment shall be made on the Business Day immediately preceding March 15.

(c) Employee Benefits.

(i) Incentive, Savings and Retirement Plans. During the Employment Term, the Executive shall be entitled to participate in all incentive, savings and retirement plans, programs and arrangements provided by the Company and its Affiliates, as amended from time to time, on the same basis as those benefits are generally made available to other senior executives of the Company.

(ii) Welfare Benefit Plans. During the Employment Term, the Executive and the Executive's dependents, as the case may be, shall be eligible to participate in and shall receive all benefits under the welfare benefit plans, programs and arrangements provided by the Company and its Affiliates (including medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans, programs and arrangements), as amended from time to time, on the same basis as those benefits are generally made available to other senior executives of the Company.

(iii) Right to Amend and Terminate. The Executive's right to participate in the plans, programs and arrangements described in this Section 3(c) shall not affect the Company's right to amend or terminate the general applicability of such plans, programs and arrangements. The Company may, in its sole discretion and from time to time, amend, eliminate or establish additional benefit plans, programs and arrangements.

(d) Expenses. During the Employment Term, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in performing the Executive's duties and responsibilities hereunder in accordance with the policies, practices and procedures of the Company.

(e) Vacation. During the Employment Term, the Executive shall be entitled to 20 days of paid time off subject to the policies, practices and procedures of the Company as in effect on and after the Effective Date.

(f) **Initial Equity Grant and Sign-On Bonus.** The Executive shall be entitled to a cash sign-on bonus of \$200,000 less withholding for taxes, payable in January 2022. If the Executive voluntarily terminates his employment hereunder without Good Reason (as defined below) within 12 months from the Effective Date, the Executive shall repay the aforementioned sign-on bonus. As of the Effective Date, pursuant to the 2017 Incentive Plan of the Company (the “**Plan**”), the Executive shall be granted an equity award with a grant date fair market value of \$1,700,000 (“**Initial Equity Grant**”) with (i) \$1,000,000 of the Initial Equity Grant in the form of restricted stock that vests in one-third tranches on October 28th of each of 2022, 2023 and 2024, subject to continuous employment with the Company on such vesting dates, and (ii) the remaining \$700,000 of the Initial Equity Grant in the form of performance-based stock units that vest on October 28, 2024, subject to continuous employment with the Company on such vesting dates, in each case subject to the terms and conditions set forth in the Plan and the applicable award agreements in use by the Company as of the Effective Date; *provided, however*, that if the Executive’s employment is terminated prior to the Initial Expiration Date either by the Company without Cause or by the Executive for Good Reason, then with respect to the Initial Equity Grant (i) all unvested shares of restricted stock shall fully vest as of such Termination Date and (ii) the performance-based stock units shall remain outstanding and be paid based on the actual attainment of the performance goals for such units at the end of the award’s three-year performance period (as if the Executive was employed by the Company on such date).

5. **Termination of Employment.**

(a) **Death.** The Executive’s employment shall terminate automatically upon the Executive’s death during the Employment Term.

(b) **Disability.** If the Company determines in good faith that the Disability (as defined below) of the Executive has occurred during the Employment Term, the Company may give the Executive notice of its intention to terminate the Executive’s employment. In such event, the Executive’s employment hereunder shall terminate effective on the 30th day after receipt of such notice by the Executive (the “**Disability Effective Date**”); *provided, however*, that within the 30-day period after such receipt, the Executive shall not have returned to full-time performance of the Executive’s duties. For purposes of this Agreement, “**Disability**” shall mean the absence of the Executive from the Executive’s duties with the Company or an Affiliate on a full-time basis for either (i) 180 consecutive Business Days or (ii) in any two-year period, 270 nonconsecutive Business Days, in either instance, 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 the Executive or the Executive’s legal representative (such agreement as to acceptability not to be withheld unreasonably).

(c) **Termination by Company.** The Company may terminate the Executive’s employment hereunder for Cause (as defined below) or without Cause at any time during the Employment Term. For purposes of this Agreement, “**Cause**” shall mean the Company’s termination of the Executive’s employment by reason of:

(i) the commission of a felony or any other crime by the Executive involving intentional and actual fraud, dishonesty or breach of trust;

(ii) willful misconduct or gross negligence with respect to the Executive's performance of his employment duties for the Company, including the duties as contemplated by Section 3 above (other than such failure resulting from incapacity due to physical or mental illness or injury);

(iii) conduct by the Executive bringing the Company or its Affiliates into material public disgrace; or

(iv) material failure to perform duties of the office held by the Executive as reasonably directed in writing by the Board (other than such failure resulting from incapacity due to physical or mental illness or injury);

provided, however, that Cause shall not exist in the case of clause (iv) unless and until the Board has given written notice to the Executive detailing the alleged grounds for Cause and such grounds remain uncured for 30 days thereafter.

(d) Termination by Executive. The Executive may terminate the Executive's employment hereunder at any time during the Employment Term for Good Reason (as defined below) or voluntarily without Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean any of the following (without the Executive's written consent):

(i) a material diminution in the Executive's position (including offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3, or a material adverse change in Executive's reporting line or change in title, including the Executive's failure to serve as the Chief Financial Officer of any successor entity or the parent of any successor entity following a Change of Control;

(ii) any material failure by the Company to comply with any of the provisions of this Agreement;

(iii) the Company's requiring the Executive to be based at any office located more than 50 miles from 6401 N. Eldridge Parkway, Houston, Texas 77041;

(iv) any failure by the Company to comply with and satisfy the requirements of Section 20(c).

Notwithstanding the foregoing, Good Reason shall cease to exist under this Agreement unless (i) within 60 days of Executive's knowledge of the initial existence of the condition or conditions giving rise to Good Reason the Executive provides written notice to the Company of the existence of such condition or conditions, (ii) the Company fails to remedy such condition or conditions within 30 days following the receipt of such written notice (the "**Cure Period**"); (iii) if any such condition is not remedied within such Cure Period, the Executive provides a Notice of Termination (as defined below) for Good Reason in accordance with the provisions of Section 5(e) and (iv) the Executive's employment terminates on the Termination Date set forth in such Notice of Termination.

(e) **Notice of Termination.** Any termination of the Executive's employment hereunder by the Company or by the Executive, other than a termination pursuant to Section 5(a), shall be communicated by a Notice of Termination to the other party hereto. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) in the case of a termination for Disability, Cause or Good Reason, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) specifies the Termination Date; *provided, however*, that notwithstanding any provision in this Agreement to the contrary, a Notice of Termination given in connection with a termination for Good Reason shall be given by the Executive within a reasonable period of time, not to exceed ten (10) Business Days following the end of the Cure Period. The failure by the Company or the Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Disability, Cause or Good Reason shall not waive any right of the Company or the Executive hereunder or preclude the Company or the Executive from asserting such fact or circumstance in enforcing the Company's or the Executive's rights hereunder.

(f) **Termination Date.** For purposes of this Agreement, the Termination Date will be (i) if the Executive's employment is terminated by the Executive's death, the date of the Executive's death, (ii) if the Executive's employment is terminated because of the Executive's Disability, the Disability Effective Date, (iii) if the Executive's employment is terminated by the Company (or applicable Affiliate) for Cause or by the Executive for Good Reason, the date on which the Notice of Termination is given, and (iv) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination, which date shall in no event be earlier than the date such notice is given.

6. Obligations of the Company upon Termination of the Executive.

(a) **Accrued Obligations.** If the Executive's employment terminates hereunder for any reason, the Company shall pay or provide to or in respect of the Executive, on the tenth Business Day next following the Executive's Termination Date (or such earlier date as may be required by applicable law), a lump-sum cash payment in an amount equal to the sum of (i) the Executive's accrued but unpaid Base Salary through the Termination Date and (ii) compensation for all of the Executive's accrued but unpaid vacation time based upon the Executive's current Base Salary (notwithstanding any limitation on payment for accrued vacation then set forth in the Company's policies or practices) (the sum of the amounts described in clauses (i) and (ii), the "**Accrued Obligation**").

(b) **By the Company Without Cause or By the Executive for Good Reason and Prior to Change of Control Period.** Subject to the release requirements set forth in Section 6(e) of this Agreement, if prior to the end of the Employment Term and not during a Change of Control Period the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, then the Company shall pay or provide to or in respect of the Executive the following amounts and benefits (the "**Severance Benefits**"):

(i) The Executive shall receive a lump-sum cash payment in an amount equal to one times his Base Salary on the 60th day following the Termination Date.

(ii) Following the Termination Date, the Executive and his eligible dependents shall continue to receive medical, dental, vision and life insurance coverage at the same active employee premium cost as a similarly situated active employee until the earlier of (A) his receipt of equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverage and benefits to be determined on a coverage-by-coverage or benefit-by-benefit basis) or (B) one year after the Termination Date; *provided, however*, that to the extent the coverage described above cannot be provided under the Company's benefit plans, or if the Company's obligations contemplated by this Section 6(b)(ii) would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended (to the extent applicable), the Company shall discontinue such coverage, and, in either situation, during the period described above in this Section 6(b)(ii), the Executive shall be entitled to a monthly cash payment equal to the Company's monthly portion of the premiums under such plans, determined as of the Termination Date. This provision of continued participation in the Company's medical, dental and vision plans is intended to satisfy the Company's COBRA obligation, if any.

For the avoidance of doubt, the non-renewal of the Employment Term by the Company shall not constitute a termination without Cause that entitles the Executive to receive the Severance Benefits.

(c) By the Company Without Cause or By the Executive for Good Reason and During the Change of Control Period. Subject to the release requirements set forth in Section 6(e) of this Agreement, if prior to the end of the Employment Term and during a Change of Control Period the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, then the Company shall pay or provide to or in respect of the Executive the following amounts and benefits (the "**COC Severance Benefits**"):

(i) The Executive shall receive a lump-sum cash payment in an amount equal to two times his Base Salary on the 60th day following the Termination Date.

(ii) The Executive shall receive a lump-sum cash payment in an amount equal to the product of (a) the greater of (x) the target amount for the Annual Bonus for the Performance Period during which the Termination Date occurs, if any, or (y) the average amount paid pursuant to Section 4(b) in respect of the three most recent applicable Performance Periods prior to the Termination Date (including, for the avoidance of doubt, any such Performance Periods that precede the Effective Date) and (b) a fraction, the numerator of which shall be the number of Business Days from the beginning of such Performance Period to the Termination Date, inclusive, and the denominator of which shall be 260, *provided, however*, that any amounts to be paid pursuant to this Section 6(c)(ii) shall be paid in accordance with Section 4(b).

(iii) On the 60th day following the Termination Date, the Executive shall receive a lump-sum cash payment in an amount equal to two times the greater of (a) the target amount for the Annual Bonus for the Performance Period during which the Termination Date occurs, if any, or (b) the average amount paid pursuant to Section 4(b) in respect of the three most recent applicable Performance Periods prior to the Termination Date (including, for the avoidance of doubt, any such Performance Periods that precede the Effective Date).

(iv) Effective as of the Termination Date and unless greater benefits are otherwise provided in the terms of the award agreement under which a Compensatory Award (as defined below) was granted, the Company shall provide for (A) the immediate vesting, settlement and exercisability of, and lapse of any restrictions on sale or transfer (other than any such restriction arising by operation of law) with respect to, each and every stock option, restricted stock award, restricted stock unit award and other equity-based award and performance award (with such performance awards vesting at target level) (each, a "**Compensatory Award**") that is outstanding as of immediately prior to the Termination Date and (B) the extension of the term during which each and every Compensatory Award may be exercised by the Executive until the earlier of (x) the first anniversary of the Termination Date or (y) the date upon which the right to exercise any Compensatory Award would have expired if the Executive had continued to be employed by the Company under the terms of this Agreement until the date the Employment Term would have ended if the Executive's employment had not terminated and no further extensions of the Employment Term had occurred.

(v) Following the Termination Date, the Executive and his eligible dependents shall continue to receive medical, dental, vision and life insurance coverage at the same active employee premium cost as a similarly situated active employee until the earlier of (A) his receipt of equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverage and benefits to be determined on a coverage-by-coverage or benefit-by-benefit basis) or (B) two years after the Termination Date; *provided, however*, that to the extent the coverage described above cannot be provided under the Company's benefit plans, or if the Company's obligations contemplated by this Section 6(c)(v) would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended (to the extent applicable), the Company shall discontinue such coverage, and, in either situation, during the period described above in this Section 6(c)(v), the Executive shall be entitled to a monthly cash payment equal to the Company's monthly portion of the premiums under such plans, determined as of the Termination Date. This provision of continued participation in the Company's medical, dental and vision plans is intended to satisfy the Company's COBRA obligation, if any.

(d) With Cause; Other than for Good Reason; Due to Death or Disability. If prior to the end of the Employment Term the Executive's employment is terminated by reason of (i) the Company's termination of Executive's employment with Cause or (ii) the Executive's (A) voluntary termination of his employment other than for Good Reason or (B) death or Disability, then this Agreement shall terminate without further obligations to the Executive hereunder other than for (x) the payment of the Accrued Obligation to the Executive, and (y) the timely payment or provision of vested deferred compensation and other employee benefits if and when otherwise due.

(e) Release Requirement. As a condition to receiving the Severance Benefits in Section 6(b) or COC Severance Benefits in Section 6(c) of this Agreement, the Executive shall be required to: (i) execute on or before the Release Expiration Date (as defined below), and not revoke within any time provided by the Company to do so, a release of all claims in a form acceptable to the Company (the “**Release**”), which Release shall release the Company and each of its Affiliates and their respective affiliates, and the foregoing entities’ respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of the Executive’s employment with the Company and each of its Affiliates or the termination of such employment, but excluding all claims to the Severance Benefits or COC Severance Benefits the Executive may have under this Section 6, rights to vested benefits or continuation coverage under Company-sponsored health and retirement plans pursuant to the terms of such plans, and rights to defense and indemnification from the Company in accordance with the Company’s governing documents or any separate indemnification agreement entered into between the Executive and the Company, and any directors and officers liability insurance in accordance with the terms of such insurance policies; and (ii) abide by all of the Executive’s post-separation obligations hereunder in Sections 9, 10 and 11 of this Agreement (and in any other agreement between the Executive and the Company). If the Release is not executed and returned to the Company on or before the Release Expiration Date, and the required revocation period has not fully expired without revocation of the Release by the Executive, then the Executive shall not be entitled to any portion of the Severance Benefits or COC Severance Benefits. As used herein, the “**Release Expiration Date**” is that date that is 21 days following the date upon which the Company delivers the Release to the Executive (which shall occur no later than 7 days after the Termination Date and which number of days shall be counted in accordance with the requirements of the Age Discrimination in Employment Act of 1967 (“**ADEA**”)) or, in the event that such termination of employment is “in connection with an exit incentive or other employment termination program” (as such phrase is defined in ADEA), the date that is 45 days following such delivery date.

(f) Clawback. Any compensation paid or provided by the Company under this Agreement or otherwise shall be subject to recovery by the Company pursuant to any Company policy regarding clawbacks or recovery of erroneously awarded compensation, but only to the extent such policy is in effect prior to a Change of Control.

(g) Expiration of the Employment Term; Non-Renewal. If either the Company or the Executive elects to not to extend the Employment Term by not renewing this Agreement in accordance with Section 2, the Executive shall not be entitled to any additional compensation upon his termination of employment with the Company other than the Accrued Obligation. For the avoidance of doubt, a termination of employment by the Company following the end of the Employment Term shall not entitle the Executive to receive any Severance Benefits regardless of the reason for his termination of employment.

7. Certain Excise Taxes. Notwithstanding anything to the contrary in this Agreement, if the Executive is a “disqualified individual” (as defined in Section 280G(c) of the Code), and the payments and benefits provided for under this Agreement, together with any other payments and benefits which the Executive has the right to receive from the Company or any of

its Affiliates, would constitute a “parachute payment” (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for under this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by the Executive from the Company and its Affiliates will be one dollar (\$1.00) less than three times the Executive’s “base amount”(as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by the Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to the Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its Affiliates) used in determining if a parachute payment exists, exceeds one dollar (\$1.00) less than three times the Executive’s base amount, then the Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 7 shall require the Company (or any of its Affiliates) to be responsible for, or have any liability or obligation with respect to, the Executive’s excise tax liabilities under Section 4999 of the Code.

8. Representations and Warranties.

(a) The Company represents and warrants to the Executive that the execution, delivery and performance by the Company of this Agreement have been duly authorized by all necessary corporate action of the Company and do not and will not conflict with or result in a violation of any provision of, or constitute a default under, any contract, agreement, instrument or obligation to which the Company is a party or by which it is bound.

(b) The Executive represents and warrants to the Company that the execution, delivery and performance by the Executive of this Agreement do not and will not conflict with or result in a violation of any provision of, or constitute a default under, any contract, agreement, instrument or obligation to which the Executive is a party or by which the Executive is bound.

9. Confidential Information; Non-Disclosure.

(a) The Executive recognizes and acknowledges that the Company’s and its Affiliates’ trade secrets and other confidential or proprietary information, as they may exist from time to time, including all scientific or technical information regarding drilling technologies and subsea wellheads and other products or services provided by the Company and its Affiliates; information about design, process, procedure, formula or improvement with respect to the Company’s products and services that is secret and of value; technical or non-technical data, formula, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, customers, pricing information and strategies, financial performance and

strategies, financial projections, operating and capital budgets, loan and other debt agreements, joint venture and similar agreements, environmental reports and information, tax and asset schedules, leases, studies, interpretations, and related information; and information about legal disputes, settlements, and employment and administrative matters arising from the affairs of the Company and its Affiliates (“**Confidential Information**”), are valuable, special and unique assets of the Company’s and/or such Affiliates’ business, access to and knowledge of which are essential to the performance of the Executive’s duties hereunder. The Executive confirms that all such Confidential Information constitutes the exclusive property of the Company and/or such Affiliates.

(b) During the Employment Term and thereafter without limitation of time, the Executive shall hold in strict confidence and shall not, directly or indirectly, disclose or reveal to any person, or use for the Executive’s own personal benefit or for the benefit of anyone else, any Confidential Information (whether or not acquired, learned, obtained or developed by the Executive alone or in conjunction with others) belonging to or concerning the Company or any of its Affiliates, except (i) with the prior written consent of the Company duly authorized by the Board, (ii) in the course of the proper performance of the Executive’s duties hereunder, (iii) for Confidential Information (x) that becomes generally available to the public other than as a result of unauthorized disclosure by the Executive or the Executive’s affiliates or (y) that becomes available to the Executive on a nonconfidential basis from a source other than the Company or its Affiliates who is not bound by a duty of confidentiality, or other contractual, legal or fiduciary obligation, to the Company, or (iv) as required by applicable law or legal process provided that prior to the disclosure or use by the Executive of any Confidential Information under this clause (iv), the Executive will give prior written notice thereof to the Company and provide the Company with the opportunity to contest that disclosure or use.

(c) Notwithstanding the foregoing, nothing in this Section 9 prohibits the Executive from reporting possible violations of law or regulation to any governmental agency or entity (or from making any other protected disclosures) without prior notice to the Company. Pursuant to the Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any Federal or state trade secret law for the disclosure of any Confidential Information that (i) is made (A) in confidence to a Federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(d) The provisions of this Section 9 shall continue in effect notwithstanding termination of the Executive’s employment hereunder for any reason.

10. Restrictive Covenants.

(a) Definitions. As used in this Section 10, the following terms shall have the following meanings:

(i) “**Business**” shall mean any endeavor in which the Company, including its Affiliates, is engaged in during the most recent twenty-four months of the Executive’s employment (the “**Reference Period**”), and shall include the provision of

products or services that are substantially similar to the products or services provided by any business, partnership, firm, corporation or other entity which the Company or one of its Affiliates has made substantial progress toward acquiring during the Reference Period. For the purposes of this definition, the execution by the Company or one of its Affiliates of a binding or non-binding letter of intent, term sheet, or similar agreement or a confidentiality agreement or similar agreement with respect to the acquisition of a business, partnership, firm, corporation or other entity during the Reference Period shall constitute sufficient evidence of the Company or such Affiliate having made substantial progress towards acquiring such business, partnership, firm, corporation or other entity.

(ii) “**Competing Business**” shall mean any business, individual, partnership, firm, corporation or other entity which wholly or in any significant part engages in any business competing with the Business in the Restricted Area. In no event will the Company or any of its Affiliates be deemed a Competing Business.

(iii) “**Governmental Authority**” shall mean any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other jurisdiction, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

(iv) “**Legal Requirement**” shall mean any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

(v) “**Prohibited Period**” shall mean the period during which the Executive is employed by the Company hereunder and a period of 12 months following the Termination Date, as such period may be extended by the amount(s) of time, if any, during which the Executive is not in compliance with Section 10(b).

(vi) “**Restricted Area**” shall mean any country or subdivision thereof in which the Executive works or about which the Executive develops or receives Confidential Information, in either case during the Reference Period and in which the Company or its Affiliates engages in the Business.

(b) Non-Competition; Non-Solicitation. The Executive and the Company agree to the non-competition and non-solicitation provisions of this Section 10(b)(i) in consideration for the Confidential Information provided by the Company to the Executive pursuant to Section 9; (ii) to protect the trade secrets and confidential information of the Company or its Affiliates disclosed or entrusted to the Executive by the Company or its Affiliates or created or developed by the Executive for the Company or its Affiliates, the business goodwill of the Company or its Affiliates developed through the efforts of the Executive and/or the business opportunities disclosed or entrusted to the Executive by the Company or its Affiliates; and (iii) as an additional incentive for the Company to enter into this Agreement.

(i) Subject to the exceptions set forth in Section 10(b)(ii), the Executive covenants and agrees that during the Prohibited Period (A) the Executive will refrain from carrying on or engaging in, directly or indirectly, any Competing Business in the Restricted Area and (B) the Executive will not, and the Executive will cause the Executive's affiliates not to, directly or indirectly, own, manage, operate, join, become an employee, partner, owner or member of (or an independent contractor to), control or participate in or loan money to, sell or lease equipment to or sell or lease real property to any business, individual, partnership, firm, corporation or other entity which engages in a Competing Business in the Restricted Area.

(ii) Notwithstanding the restrictions contained in Section 10(b)(i), the Executive or any of the Executive's affiliates may own an aggregate of not more than 1% of the outstanding voting securities of any class of an entity engaged in a Competing Business, if such securities are listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 10(b), provided that neither the Executive nor any of the Executive's affiliates (A) has the power, directly or indirectly, to control or direct the management or affairs of such entity or (B) is involved in the management of such entity.

(iii) The Executive further covenants and agrees that during the Prohibited Period, the Executive will not, and the Executive will cause the Executive's affiliates not to (A) engage or employ, or solicit or contact with a view to the engagement or employment of, any person who is then currently an officer or employee of the Company or any of its Affiliates or was an officer or employee of the Company or any of its Affiliates within the prior six months or (B) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its Affiliates any person who or which is or was (1) a customer of the Company or any of its Affiliates during the Reference Period and (2) with whom or which the Executive either had contact or a relationship with or about whom or which the Executive developed or acquired Confidential Information during the Reference Period.

(iv) The Executive may seek the written consent of the Company, which may be withheld for any or no reason, to waive the provisions of this Section 10 on a case-by-case basis.

(v) The Executive recognizes that the Executive is a high-level, executive employee who will develop and/or be provided with access to trade secrets as part of the Executive's employment and that the restrictive covenants set forth in this Section 10(b) are reasonable and necessary in light of the Executive's position and access to the Company's trade secrets.

(c) Reasonableness; Enforcement. The Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 10(b) are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. The Executive hereby represents to the Company that the Executive has read and understands, and agrees to be

bound by, the terms of this Section 10. The Executive acknowledges that the geographic scope and duration of the covenants contained in this Section 10 are the result of arm's-length bargaining and are fair and reasonable in light of (i) the nature and wide geographic scope of the operations of the Business, (ii) the Executive's level of control over and contact with the Business in all jurisdictions in which it is conducted, (iii) the fact that the Business is conducted throughout the Restricted Area and (iv) the amount of compensation, trade secrets and Confidential Information that the Executive is receiving in connection with the performance of the Executive's duties hereunder. It is the desire and intent of the parties that the provisions of this Section 10 be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, the Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Section 10 invalid or unenforceable.

(d) Reformation. The Company and the Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Section 10 would cause irreparable injury to the Company. The Executive represents that enforcement of the restrictive covenants set forth in this Section 10 will not impose an undue hardship upon the Executive or any person or entity affiliated with the Executive. The Executive understands that the foregoing restrictions may limit the Executive's ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that the Confidential Information provided to or developed by the Executive is of such importance that it justifies such restriction. Further, the Executive acknowledges that the Executive's skills are such that the Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent the Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and the Executive intend to make this provision enforceable under the Legal Requirements of all applicable jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal.

11. Responsibilities with Respect to Confidential Information of Prior Employers. The Company requires the Executive to protect and secure the Company's Confidential Information and intellectual property. Likewise, the Company requires the Executive to protect the confidential information and intellectual property of the Executive's former employers. Accordingly, as a condition of continued employment with the Company:

(a) The Executive agrees not to use, have in the Executive's possession, or refer to any information, data, process, or method which is or was claimed to be confidential or proprietary by any former employer or any customer, supplier or consultant of a former employer.

(b) The Executive will not, during the Employment Term and thereafter, breach any other agreement obligating the Executive to keep in confidence confidential or proprietary information, knowledge, or data acquired by the Executive in confidence or in trust in connection with prior employment before beginning employment with the Company. The Executive will not disclose to the Company or any employee of the Company, or induce the Company or any employee of the Company to use in any unauthorized manner any confidential or proprietary information or material belonging to a former employer of the Executive.

(c) To the extent that the Executive has participated in conversations, meetings or other sharing of information and ideas with attorneys representing the Executive's previous employers, the Executive agrees not to disclose the substance or content of such communications to anyone at the Company.

12. Certain Definitions. Capitalized terms used in the Agreement and not otherwise defined herein shall have the following respective meanings:

(a) "**Affiliate**" shall mean any company or other entity controlled by, controlling or under common control with the Company.

(b) "**Annual Bonus Plan**" shall mean any annual bonus or short-term incentive plan or program established by the Company.

(c) "**Business Day**" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are closed (whether such closure is authorized or obligated by law or executive order).

(d) "**Change of Control**" shall mean:

(i) there shall have occurred an event required to be reported with respect to the Company in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item or any similar schedule or form) promulgated under the Exchange Act, whether or not the Company is then subject to such reporting requirement;

(ii) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) shall have become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding voting securities;

(iii) the Company or its subsidiary is a party to a merger or other transaction pursuant to which the shareholders of the other party to such merger or transaction shall have become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (or the entity resulting from such merger or other transaction) representing 40% or more of the combined voting power of the Company's then outstanding voting securities (or the then outstanding voting securities of the entity resulting from such merger or other transaction);

(iv) the Company is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; or

(v) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (including, for this purpose, any new director whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board.

(e) "**Change of Control Period**" shall mean the period commencing on the occurrence of a Change of Control and ending on the third anniversary of such date.

(f) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(g) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

(h) "**Termination Date**" shall mean the date of the Executive's "separation from service" within the meaning of Section 409A of the Code and the regulations and other guidance promulgated thereunder with the Company and all of its Affiliates, as described in Section 5(f).

13. Full Settlement.

(a) There shall be no right of set off or counterclaim against, or delay in, any payments to the Executive, or to the Executive's heirs or legal representatives, provided for in this Agreement, in respect of any claim against or debt or other obligation of the Executive or others, whether arising hereunder or otherwise.

(b) In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced whether or not the Executive obtains other employment.

(c) If the Executive prevails in any material respect, the Company agrees to pay, all costs and expenses (including attorneys' fees) that the Executive, or the Executive's heirs or legal representatives, may reasonably incur as a result of any contest by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement, or any guarantee of performance thereof (including as a result of any contest by the Executive, or the Executive's heirs or legal representatives, about the amount of any payment pursuant to this Agreement). The amounts payable by the Company pursuant to this Section 13(c) shall be paid no later than the end of the taxable year of the Executive that immediately follows the taxable year of the Executive in which such costs and expenses were incurred.

14. No Effect on Other Contractual Rights. The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable to the Executive, or in any way diminish the Executive's rights as an employee of the Company or any of its Affiliates, whether existing on the date of this Agreement or hereafter, under any employee benefit plan, program or arrangement or other contract or agreement of the Company or any of its Affiliates providing benefits to the Executive.

15. Directors and Officers Insurance. The Company shall ensure that during the Employment Term, the Company acquires and maintains directors and officers liability insurance covering the Executive to the extent it is available at commercially reasonable rates as determined by the Board. The provisions of this Section 15 shall continue in effect notwithstanding termination of the Executive's employment hereunder for any reason.

16. Injunctive Relief. In recognition of the fact that a breach by the Executive of any of the provisions of Section 9 or Section 10 will cause irreparable damage to the Company and/or its Affiliates for which monetary damages alone will not constitute an adequate remedy, the Company shall be entitled as a matter of right (without being required to prove damages or furnish any bond or other security) to obtain a restraining order, an injunction, an order of specific performance, or other equitable or extraordinary relief from any court of competent jurisdiction restraining any further violation of such provisions by the Executive or requiring the Executive to perform the Executive's obligations hereunder. Such right to equitable or extraordinary relief shall not be exclusive but shall be in addition to all other rights and remedies to which the Company or any of its Affiliates may be entitled at law or in equity, including the right to recover monetary damages for the breach by the Executive of any of the provisions of this Agreement.

17. Section 409A.

(a) This Agreement is intended to be exempt from or comply with the requirements of Section 409A of the Code ("**Section 409A**") and shall be construed and interpreted in accordance with such intent. To the extent any payment or benefit provided under this Agreement is subject to Section 409A, such benefit shall be provided in a manner that complies with Section 409A, including any IRS guidance promulgated with respect to Section 409A.

(b) Any provision of this Agreement to the contrary notwithstanding, if the Executive is a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, as determined by the Company, on the Executive's Termination Date, all amounts due under this Agreement that constitute a "deferral of compensation" within the meaning of Section 409A of the Code, that are provided as a result of a "separation from service" within the meaning of Section 409A of the Code, and that would otherwise be paid or provided during the first six months following the Executive's Termination Date, shall be accumulated through and paid or provided on the first Business Day that is more than six months after the Executive's Termination Date (or, if Executive dies during such six month period, within 30 days after Executive's death).

(c) All reimbursements or provision of in-kind benefits pursuant to this Agreement shall be made in accordance with Treasury Regulation § 1.409A-3(i)(1)(iv) such that the reimbursement or provision will be deemed payable at a specified time or on a fixed schedule relative to a permissible payment event. Specifically, the amount reimbursed or in-kind benefits

provided under this Agreement during Executive's taxable year may not affect the amounts reimbursed or provided in any other taxable year (except that total reimbursements may be limited by a lifetime maximum under a group health plan), the reimbursement of an eligible expense shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred, and the right to reimbursement or provision of in-kind benefit is not subject to liquidation or exchange for another benefit.

(d) If the period during which any payment must be made under Sections 6(b) or 6(c) of this Agreement begins in one taxable year and ends in a second taxable year, such payment shall be made in the second taxable year to the extent required to avoid any tax, interest or penalties under Section 409A.

(e) Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company or its Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

18. Governing Law and Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to the principles of conflicts of laws thereof. Venue for any action or proceeding relating to this Agreement and/or the employment relationship hereunder shall lie exclusively in courts in Harris County, Texas.

19. Notices. All notices, requests, demands and other communications required or permitted to be given or made hereunder by either party hereto shall be in writing and shall be deemed to have been duly given or made (i) when delivered personally, (ii) when sent by facsimile transmission, or (iii) five days after being deposited in the United States mail, first class registered or certified mail, postage prepaid, return receipt requested, to the party for which intended at the following addresses (or at such other addresses as shall be specified by the parties by like notice, except that notices of change of address shall be effective only upon receipt):

If to the Company, at	Dril-Quip, Inc. Attention: General Counsel 6401 N. Eldridge Pkwy. Houston, TX 77041 Fax No.: (713) 939-5329
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If to the Executive, at the current address in the Company's personnel files.

20. Binding Effect; Assignment; No Third Party Benefit.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and shall be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company shall require any successor or assign (whether direct or indirect, by purchase, merger, consolidation, amalgamation or otherwise) to all or substantially all the business and/or assets of the Company, by agreement in writing in form and substance reasonably satisfactory to the Executive, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor or assign to the business and/or assets of the Company as aforesaid which executes and delivers the agreement provided for in this Section 20(c) or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(d) Nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the parties hereto and their respective heirs, legal representatives, successors and permitted assigns, any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

21. Miscellaneous.

(a) Amendment. This Agreement may not be modified or amended in any respect except by an instrument in writing signed by the party against whom such modification or amendment is sought to be enforced. No person, other than pursuant to a resolution of the Board or a committee thereof, shall have authority on behalf of the Company to agree to modify, amend or waive any provision of this Agreement or anything in reference thereto.

(b) Waiver. Any term or condition of this Agreement may be waived at any time by the party hereto which is entitled to have the benefit thereof, but such waiver shall only be effective if evidenced by a writing signed by such party, and a waiver on one occasion shall not be deemed to be a waiver of the same or any other type of breach on a future occasion. No failure or delay by a party hereto in exercising any right or power hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right or power.

(c) Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(d) Nonalienation of Benefits. The Executive shall not have any right to pledge, hypothecate, anticipate or in any way create a lien upon any payments or other benefits provided under this Agreement; and no benefits payable hereunder shall be assignable in anticipation of payment either by voluntary or involuntary acts, or by operation of law, except by will or pursuant to the laws of descent and distribution.

(e) Severability. If any provision of this Agreement is held to be invalid or unenforceable, (i) this Agreement shall be considered divisible, (ii) such provision shall be deemed inoperative to the extent it is deemed invalid or unenforceable, and (iii) in all other respects this Agreement shall remain in full force and effect; *provided, however*, that if any such provision may be made valid or enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be valid and/or enforceable to the maximum extent permitted by applicable law.

(f) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto concerning the subject matter hereof, and from and after the Effective Date, this Agreement shall supersede any other prior agreement or understanding, both written and oral, between the parties with respect to such subject matter.

(g) Captions. The captions herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

(h) References. All references in this Agreement to Sections, subsections and other subdivisions refer to the Sections, subsections and other subdivisions of this Agreement unless provided otherwise. The words "this Agreement", "herein", "hereof", "hereby", "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless so limited. Whenever the words "include", "includes" and "including" are used in this Agreement, such words shall be deemed to be followed by the words "without limitation". Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

[Execution Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, and the Executive has executed this Agreement, as of the date first above set forth.

DRIL-QUIP, INC.

/s/ Jeffrey J. Bird

Name: Jeffrey J. Bird

Title: President and Chief Operating Officer

EXECUTIVE

/s/ Kyle F. McClure

Kyle F. McClure

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (this “**Agreement**”), dated as of December 2, 2021 by and between **DRIL-QUIP, INC.**, a Delaware corporation (the “**Company**”), and James C. Webster (the “**Executive**”) shall become effective as of January 1, 2022 (the “**Effective Date**”).

WITNESSETH:

WHEREAS, the Executive is currently employed as the Company’s Vice President, General Counsel and Corporate Secretary; and

WHEREAS, in entering into this Agreement, the Company desires to provide the Executive with substantial incentives to continue to serve the Company on and following the Effective Date as one of its senior executives performing at the highest level of leadership and stewardship, without distraction or concern over minimum compensation, benefits or tenure, manage the Company’s future growth and development, and maximize the returns to the Company’s stockholders; and

WHEREAS, the Executive shares these objectives and desires to continue to serve as the Company’s Vice President, General Counsel and Corporate Secretary on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, effective as of the Effective Date, the Company and the Executive hereby enter into this Agreement:

1. **Employment.** The Company agrees that the Company or an Affiliate will employ the Executive, and the Executive agrees to be employed by the Company or an Affiliate, for the period set forth in Section 2, in the position and with the duties and responsibilities set forth in Section 3, and upon the other terms and conditions herein provided. Unless otherwise defined in another section of this Agreement, capitalized terms used herein shall have the meanings set forth in Section 12.

2. **Employment Term.** The employment of the Executive by the Company under this Agreement shall commence as of the Effective Date and shall terminate on December 31, 2024 (the “**Initial Expiration Date**”). Such employment under this Agreement shall automatically be extended for additional one-year periods unless either the Company or the Executive notifies the other party at least 90 days in advance of the Initial Expiration Date that it will not be so extended and, thereafter, will be further extended automatically on each subsequent anniversary of the Initial Expiration Date for additional one-year periods unless either the Company or the Executive notifies the other party at least 90 days in advance of the next anniversary of the Initial Expiration Date that it will not be so extended. The period of the Executive’s employment under this Agreement shall be referred to herein as the “**Employment Term.**” In the event that one party notifies the other in accordance with this Section 2 that it does not wish the Employment Term to be extended, no further extensions of the Employment Term shall occur and this Agreement shall terminate at the end of the then current Employment

Term. The foregoing notwithstanding, if a Change of Control occurs during the Employment Term, the Company shall not cause the Employment Term to end pursuant to this Section 2 until after the Change of Control Period ends. During the Employment Term, the Executive shall be an “at will” employee of the Company, and the Executive’s employment may be terminated at any time in accordance with Section 5.

3. Positions and Duties.

(a) During the Employment Term, the Executive shall serve in the position of Vice President, General Counsel and Corporate Secretary of the Company and shall have such duties, functions, responsibilities and authority commensurate with such position. The Executive shall report directly to the President and Chief Executive Officer of the Company.

(b) During the Employment Term, the Executive shall devote the Executive’s full time, skill and attention, and the Executive’s reasonable best efforts to the business and affairs of the Company, and in furtherance of the business and affairs of its Affiliates, to the extent necessary to discharge faithfully and efficiently the duties and responsibilities delegated and assigned to the Executive herein or pursuant hereto, except for usual, ordinary and customary periods of vacation and absence due to illness or other disability; *provided, however*, that the Executive may (i) serve on industry-related, civic or charitable boards or committees, (ii) with the approval of the Company’s Board of Directors (the “**Board**”), serve on corporate boards or committees, (iii) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (iv) manage the Executive’s personal investments, so long as such activities do not significantly interfere with the performance and fulfillment of the Executive’s duties and responsibilities as an employee of the Company or an Affiliate in accordance with this Agreement and, in the case of the activities described in clause (ii) of this proviso, will not, in the good faith judgment of the Board, constitute an actual or potential conflict of interest with the business of the Company or an Affiliate.

(c) In connection with the Executive’s employment hereunder, the Executive shall be based at the headquarters of the Company in Houston, Texas, subject, however, to required travel for the business of the Company and its Affiliates.

(d) All services that the Executive may render to the Company or any of its Affiliates in any capacity during the Employment Term shall be deemed to be services required by this Agreement and consideration for the compensation provided for herein.

4. Compensation and Related Matters.

(a) Base Salary. During the Employment Term, the Company shall pay to the Executive an annual base salary of \$360,000 (“**Base Salary**”), payable in accordance with the Company’s normal payroll practices as in effect from time to time, less withholding for taxes and deductions for other appropriate items. During the Employment Term, the Executive’s Base Salary shall be subject to such increases (but not decreases), if any, as may be determined from time to time by the Board in its sole discretion; *provided, however*, that the Executive’s Base Salary shall be reviewed by the Board at least annually, with a view to making such upward adjustment, if any, as the Board deems appropriate. The term “Base Salary” as used in this

Agreement shall refer to the Base Salary as so increased. Payments of Base Salary to the Executive shall not be deemed exclusive and shall not prevent the Executive from participating in any employee benefit plans, programs or arrangements of the Company and its Affiliates in which the Executive is entitled to participate. Payments of Base Salary to the Executive shall not in any way limit or reduce any other obligation of the Company hereunder, and no other compensation, benefit or payment to the Executive hereunder shall in any way limit or reduce the obligation of the Company regarding the Executive's Base Salary hereunder.

(b) Annual Bonus. For each 12-month period ending December 31 during the Employment Term (the "**Performance Period**"), the Executive shall be eligible to receive an annual cash bonus (the "**Annual Bonus**") in accordance with the Company's normal bonus practices or under any Annual Bonus plan or program adopted by the Company after the Effective Date. Any such Annual Bonus shall be paid in a single lump-sum payment not later than March 15 of the calendar year immediately following the Performance Period to which such bonus relates; *provided, however*, that if March 15 is not a Business Day, such payment shall be made on the Business Day immediately preceding March 15.

(c) Employee Benefits.

(i) Incentive, Savings and Retirement Plans. During the Employment Term, the Executive shall be entitled to participate in all incentive, savings and retirement plans, programs and arrangements provided by the Company and its Affiliates, as amended from time to time, on the same basis as those benefits are generally made available to other senior executives of the Company.

(ii) Welfare Benefit Plans. During the Employment Term, the Executive and the Executive's dependents, as the case may be, shall be eligible to participate in and shall receive all benefits under the welfare benefit plans, programs and arrangements provided by the Company and its Affiliates (including medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans, programs and arrangements), as amended from time to time, on the same basis as those benefits are generally made available to other senior executives of the Company.

(iii) Right to Amend and Terminate. The Executive's right to participate in the plans, programs and arrangements described in this Section 3(c) shall not affect the Company's right to amend or terminate the general applicability of such plans, programs and arrangements. The Company may, in its sole discretion and from time to time, amend, eliminate or establish additional benefit plans, programs and arrangements.

(d) Expenses. During the Employment Term, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in performing the Executive's duties and responsibilities hereunder in accordance with the policies, practices and procedures of the Company.

(e) Vacation. During the Employment Term, the Executive shall be entitled to 20 days of paid time off subject to the policies, practices and procedures of the Company as in effect on and after the Effective Date.

5. Termination of Employment.

(a) Death. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Term.

(b) Disability. If the Company determines in good faith that the Disability (as defined below) of the Executive has occurred during the Employment Term, the Company may give the Executive notice of its intention to terminate the Executive's employment. In such event, the Executive's employment hereunder shall terminate effective on the 30th day after receipt of such notice by the Executive (the "**Disability Effective Date**"); *provided, however*, that within the 30-day period after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "**Disability**" shall mean the absence of the Executive from the Executive's duties with the Company or an Affiliate on a full-time basis for either (i) 180 consecutive Business Days or (ii) in any two-year period, 270 nonconsecutive Business Days, in either instance, 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 the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(c) Termination by Company. The Company may terminate the Executive's employment hereunder for Cause (as defined below) or without Cause at any time during the Employment Term. For purposes of this Agreement, "**Cause**" shall mean the Company's termination of the Executive's employment by reason of:

(i) the commission of a felony or any other crime by the Executive involving intentional and actual fraud, dishonesty or breach of trust;

(ii) willful misconduct or gross negligence with respect to the Executive's performance of his employment duties for the Company, including the duties as contemplated by Section 3 above (other than such failure resulting from incapacity due to physical or mental illness or injury);

(iii) conduct by the Executive bringing the Company or its Affiliates into material public disgrace; or

(iv) material failure to perform duties of the office held by the Executive as reasonably directed in writing by the Board (other than such failure resulting from incapacity due to physical or mental illness or injury);

provided, however, that Cause shall not exist in the case of clause (iv) unless and until the Board has given written notice to the Executive detailing the alleged grounds for Cause and such grounds remain uncured for 30 days thereafter.

(d) Termination by Executive. The Executive may terminate the Executive's employment hereunder at any time during the Employment Term for Good Reason (as defined below) or voluntarily without Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean any of the following (without the Executive's written consent):

(i) a material diminution in the Executive's position (including offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3, or a material adverse change in Executive's reporting line or change in title, including the Executive's failure to serve as the Vice President, General Counsel and Corporate Secretary of any successor entity or the parent of any successor entity following a Change of Control;

(ii) any material failure by the Company to comply with any of the provisions of this Agreement;

(iii) the Company's requiring the Executive to be based at any office located more than 50 miles from 6401 N. Eldridge Parkway, Houston, Texas 77041; or

(iv) any failure by the Company to comply with and satisfy the requirements of Section 20(c).

Notwithstanding the foregoing, Good Reason shall cease to exist under this Agreement unless (i) within 60 days of Executive's knowledge of the initial existence of the condition or conditions giving rise to Good Reason the Executive provides written notice to the Company of the existence of such condition or conditions, (ii) the Company fails to remedy such condition or conditions within 30 days following the receipt of such written notice (the "**Cure Period**"); (iii) if any such condition is not remedied within such Cure Period, the Executive provides a Notice of Termination (as defined below) for Good Reason in accordance with the provisions of Section 5(e) and (iv) the Executive's employment terminates on the Termination Date set forth in such Notice of Termination.

(e) Notice of Termination. Any termination of the Executive's employment hereunder by the Company or by the Executive, other than a termination pursuant to Section 5(a), shall be communicated by a Notice of Termination to the other party hereto. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) in the case of a termination for Disability, Cause or Good Reason, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) specifies the Termination Date; *provided, however*, that notwithstanding any provision in this Agreement to the contrary, a Notice of Termination given in connection with a termination for Good Reason shall be given by the Executive within a reasonable period of time, not to exceed ten (10) Business Days following the end of the Cure Period. The failure by the Company or the Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Disability, Cause or Good Reason shall not waive any right of the Company or the Executive hereunder or preclude the Company or the Executive from asserting such fact or circumstance in enforcing the Company's or the Executive's rights hereunder.

(f) Termination Date. For purposes of this Agreement, the Termination Date will be (i) if the Executive's employment is terminated by the Executive's death, the date of the Executive's death, (ii) if the Executive's employment is terminated because of the Executive's Disability, the Disability Effective Date, (iii) if the Executive's employment is terminated by the Company (or applicable Affiliate) for Cause or by the Executive for Good Reason, the date on which the Notice of Termination is given, and (iv) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination, which date shall in no event be earlier than the date such notice is given.

6. Obligations of the Company upon Termination of the Executive.

(a) Accrued Obligations. If the Executive's employment terminates hereunder for any reason, the Company shall pay or provide to or in respect of the Executive, on the tenth Business Day next following the Executive's Termination Date (or such earlier date as may be required by applicable law), a lump-sum cash payment in an amount equal to the sum of (i) the Executive's accrued but unpaid Base Salary through the Termination Date and (ii) compensation for all of the Executive's accrued but unpaid vacation time based upon the Executive's current Base Salary (notwithstanding any limitation on payment for accrued vacation then set forth in the Company's policies or practices) (the sum of the amounts described in clauses (i) and (ii), the "**Accrued Obligation**").

(b) By the Company Without Cause or By the Executive for Good Reason and Prior to Change of Control Period. Subject to the release requirements set forth in Section 6(e) of this Agreement, if prior to the end of the Employment Term and not during a Change of Control Period the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, then the Company shall pay or provide to or in respect of the Executive the following amounts and benefits (the "**Severance Benefits**"):

(i) The Executive shall receive a lump-sum cash payment in an amount equal to one times his Base Salary on the 60th day following the Termination Date.

(ii) Following the Termination Date, the Executive and his eligible dependents shall continue to receive medical, dental, vision and life insurance coverage at the same active employee premium cost as a similarly situated active employee until the earlier of (A) his receipt of equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverage and benefits to be determined on a coverage-by-coverage or benefit-by-benefit basis) or (B) one year after the Termination Date; *provided, however*, that to the extent the coverage described above cannot be provided under the Company's benefit plans, or if the Company's obligations contemplated by this Section 6(b)(ii) would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended (to the extent applicable), the Company shall discontinue such coverage, and, in either situation, during the period described above in this Section 6(b)(ii), the Executive shall be entitled to a monthly cash payment equal to the Company's monthly portion of the premiums under such plans, determined as of the Termination Date. This provision of continued participation in the Company's medical, dental and vision plans is intended to satisfy the Company's COBRA obligation, if any.

For the avoidance of doubt, the non-renewal of the Employment Term by the Company shall not constitute a termination without Cause that entitles the Executive to receive the Severance Benefits.

(c) By the Company Without Cause or By the Executive for Good Reason and During the Change of Control Period. Subject to the release requirements set forth in Section 6(e) of this Agreement, if prior to the end of the Employment Term and during a Change of Control Period the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, then the Company shall pay or provide to or in respect of the Executive the following amounts and benefits (the "**COC Severance Benefits**"):

(i) The Executive shall receive a lump-sum cash payment in an amount equal to two times his Base Salary on the 60th day following the Termination Date.

(ii) The Executive shall receive a lump-sum cash payment in an amount equal to the product of (a) the greater of (x) the target amount for the Annual Bonus for the Performance Period during which the Termination Date occurs, if any, or (y) the average amount paid pursuant to Section 4(b) in respect of the three most recent applicable Performance Periods prior to the Termination Date (including, for the avoidance of doubt, any such Performance Periods that precede the Effective Date) and (b) a fraction, the numerator of which shall be the number of Business Days from the beginning of such Performance Period to the Termination Date, inclusive, and the denominator of which shall be 260, *provided, however*, that any amounts to be paid pursuant to this Section 6(c)(ii) shall be paid in accordance with Section 4(b).

(iii) On the 60th day following the Termination Date, the Executive shall receive a lump-sum cash payment in an amount equal to two times the greater of (a) the target amount for the Annual Bonus for the Performance Period during which the Termination Date occurs, if any, or (b) the average amount paid pursuant to Section 4(b) in respect of the three most recent applicable Performance Periods prior to the Termination Date (including, for the avoidance of doubt, any such Performance Periods that precede the Effective Date).

(iv) Effective as of the Termination Date and unless greater benefits are otherwise provided in the terms of the award agreement under which a Compensatory Award (as defined below) was granted, the Company shall provide for (A) the immediate vesting, settlement and exercisability of, and lapse of any restrictions on sale or transfer (other than any such restriction arising by operation of law) with respect to, each and every stock option, restricted stock award, restricted stock unit award and other equity-based award and performance award (with such performance awards vesting at target level) (each, a "**Compensatory Award**") that is outstanding as of immediately prior to the Termination Date and (B) the extension of the term during which each and every Compensatory Award may be exercised by the Executive until the earlier of (x) the first

anniversary of the Termination Date or (y) the date upon which the right to exercise any Compensatory Award would have expired if the Executive had continued to be employed by the Company under the terms of this Agreement until the date the Employment Term would have ended if the Executive's employment had not terminated and no further extensions of the Employment Term had occurred.

(v) Following the Termination Date, the Executive and his eligible dependents shall continue to receive medical, dental, vision and life insurance coverage at the same active employee premium cost as a similarly situated active employee until the earlier of (A) his receipt of equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverage and benefits to be determined on a coverage-by-coverage or benefit-by-benefit basis) or (B) two years after the Termination Date; *provided, however*, that to the extent the coverage described above cannot be provided under the Company's benefit plans, or if the Company's obligations contemplated by this Section 6(c)(v) would result in the imposition of excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended (to the extent applicable), the Company shall discontinue such coverage, and, in either situation, during the period described above in this Section 6(c)(v), the Executive shall be entitled to a monthly cash payment equal to the Company's monthly portion of the premiums under such plans, determined as of the Termination Date. This provision of continued participation in the Company's medical, dental and vision plans is intended to satisfy the Company's COBRA obligation, if any.

(d) With Cause; Other than for Good Reason; Due to Death or Disability. If prior to the end of the Employment Term the Executive's employment is terminated by reason of (i) the Company's termination of Executive's employment with Cause or (ii) the Executive's (A) voluntary termination of his employment other than for Good Reason or (B) death or Disability, then this Agreement shall terminate without further obligations to the Executive hereunder other than for (x) the payment of the Accrued Obligation to the Executive, and (y) the timely payment or provision of vested deferred compensation and other employee benefits if and when otherwise due.

(e) Release Requirement. As a condition to receiving the Severance Benefits in Section 6(b) or COC Severance Benefits in Section 6(c) of this Agreement, the Executive shall be required to: (i) execute on or before the Release Expiration Date (as defined below), and not revoke within any time provided by the Company to do so, a release of all claims in a form acceptable to the Company (the "**Release**"), which Release shall release the Company and each of its Affiliates and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of the Executive's employment with the Company and each of its Affiliates or the termination of such employment, but excluding all claims to the Severance Benefits or COC Severance Benefits the Executive may have under this Section 6, rights to vested benefits or continuation coverage under Company-sponsored health and retirement plans pursuant to the terms of such plans, and rights to defense and indemnification from the Company in accordance with the Company's governing documents or any separate indemnification agreement entered into between the Executive and the Company, and any directors and officers liability insurance in accordance

with the terms of such insurance policies; and (ii) abide by all of the Executive's post-separation obligations hereunder in Sections 9, 10 and 11 of this Agreement (and in any other agreement between the Executive and the Company). If the Release is not executed and returned to the Company on or before the Release Expiration Date, and the required revocation period has not fully expired without revocation of the Release by the Executive, then the Executive shall not be entitled to any portion of the Severance Benefits or COC Severance Benefits. As used herein, the "**Release Expiration Date**" is that date that is 21 days following the date upon which the Company delivers the Release to the Executive (which shall occur no later than 7 days after the Termination Date and which number of days shall be counted in accordance with the requirements of the Age Discrimination in Employment Act of 1967 ("**ADEA**")) or, in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in ADEA), the date that is 45 days following such delivery date.

(f) Clawback. Any compensation paid or provided by the Company under this Agreement or otherwise shall be subject to recovery by the Company pursuant to any Company policy regarding clawbacks or recovery of erroneously awarded compensation, but only to the extent such policy is in effect prior to a Change of Control.

(g) Expiration of the Employment Term; Non-Renewal. If either the Company or the Executive elects to not to extend the Employment Term by not renewing this Agreement in accordance with Section 2, the Executive shall not be entitled to any additional compensation upon his termination of employment with the Company other than the Accrued Obligation. For the avoidance of doubt, a termination of employment by the Company following the end of the Employment Term shall not entitle the Executive to receive any Severance Benefits regardless of the reason for his termination of employment..

7. Certain Excise Taxes. Notwithstanding anything to the contrary in this Agreement, if the Executive is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for under this Agreement, together with any other payments and benefits which the Executive has the right to receive from the Company or any of its Affiliates, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for under this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by the Executive from the Company and its Affiliates will be one dollar (\$1.00) less than three times the Executive's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by the Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to the Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in kind hereunder in a similar order. The determination as to

whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its Affiliates) used in determining if a parachute payment exists, exceeds one dollar (\$1.00) less than three times the Executive's base amount, then the Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 7 shall require the Company (or any of its Affiliates) to be responsible for, or have any liability or obligation with respect to, the Executive's excise tax liabilities under Section 4999 of the Code.

8. Representations and Warranties.

(a) The Company represents and warrants to the Executive that the execution, delivery and performance by the Company of this Agreement have been duly authorized by all necessary corporate action of the Company and do not and will not conflict with or result in a violation of any provision of, or constitute a default under, any contract, agreement, instrument or obligation to which the Company is a party or by which it is bound.

(b) The Executive represents and warrants to the Company that the execution, delivery and performance by the Executive of this Agreement do not and will not conflict with or result in a violation of any provision of, or constitute a default under, any contract, agreement, instrument or obligation to which the Executive is a party or by which the Executive is bound.

9. Confidential Information; Non-Disclosure.

(a) The Executive recognizes and acknowledges that the Company's and its Affiliates' trade secrets and other confidential or proprietary information, as they may exist from time to time, including all scientific or technical information regarding drilling technologies and subsea wellheads and other products or services provided by the Company and its Affiliates; information about design, process, procedure, formula or improvement with respect to the Company's products and services that is secret and of value; technical or non-technical data, formula, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, customers, pricing information and strategies, financial performance and strategies, financial projections, operating and capital budgets, loan and other debt agreements, joint venture and similar agreements, environmental reports and information, tax and asset schedules, leases, studies, interpretations, and related information; and information about legal disputes, settlements, and employment and administrative matters arising from the affairs of the Company and its Affiliates ("**Confidential Information**"), are valuable, special and unique assets of the Company's and/or such Affiliates' business, access to and knowledge of which are essential to the performance of the Executive's duties hereunder. The Executive confirms that all such Confidential Information constitutes the exclusive property of the Company and/or such Affiliates.

(b) During the Employment Term and thereafter without limitation of time, the Executive shall hold in strict confidence and shall not, directly or indirectly, disclose or reveal to any person, or use for the Executive's own personal benefit or for the benefit of anyone else, any Confidential Information (whether or not acquired, learned, obtained or developed by

the Executive alone or in conjunction with others) belonging to or concerning the Company or any of its Affiliates, except (i) with the prior written consent of the Company duly authorized by the Board, (ii) in the course of the proper performance of the Executive's duties hereunder, (iii) for Confidential Information (x) that becomes generally available to the public other than as a result of unauthorized disclosure by the Executive or the Executive's affiliates or (y) that becomes available to the Executive on a nonconfidential basis from a source other than the Company or its Affiliates who is not bound by a duty of confidentiality, or other contractual, legal or fiduciary obligation, to the Company, or (iv) as required by applicable law or legal process provided that prior to the disclosure or use by the Executive of any Confidential Information under this clause (iv), the Executive will give prior written notice thereof to the Company and provide the Company with the opportunity to contest that disclosure or use.

(c) Notwithstanding the foregoing, nothing in this Section 9 prohibits the Executive from reporting possible violations of law or regulation to any governmental agency or entity (or from making any other protected disclosures) without prior notice to the Company. Pursuant to the Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any Federal or state trade secret law for the disclosure of any Confidential Information that (i) is made (A) in confidence to a Federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(d) The provisions of this Section 9 shall continue in effect notwithstanding termination of the Executive's employment hereunder for any reason.

10. Restrictive Covenants.

(a) Definitions. As used in this Section 10, the following terms shall have the following meanings:

(i) "**Business**" shall mean any endeavor in which the Company, including its Affiliates, is engaged in during the most recent twenty-four months of the Executive's employment (the "**Reference Period**"), and shall include the provision of products or services that are substantially similar to the products or services provided by any business, partnership, firm, corporation or other entity which the Company or one of its Affiliates has made substantial progress toward acquiring during the Reference Period. For the purposes of this definition, the execution by the Company or one of its Affiliates of a binding or non-binding letter of intent, term sheet, or similar agreement or a confidentiality agreement or similar agreement with respect to the acquisition of a business, partnership, firm, corporation or other entity during the Reference Period shall constitute sufficient evidence of the Company or such Affiliate having made substantial progress towards acquiring such business, partnership, firm, corporation or other entity.

(ii) "**Competing Business**" shall mean any business, individual, partnership, firm, corporation or other entity which wholly or in any significant part engages in any business competing with the Business in the Restricted Area. In no event will the Company or any of its Affiliates be deemed a Competing Business.

(iii) “**Governmental Authority**” shall mean any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other jurisdiction, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

(iv) “**Legal Requirement**” shall mean any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

(v) “**Prohibited Period**” shall mean the period during which the Executive is employed by the Company hereunder and a period of 12 months following the Termination Date, as such period may be extended by the amount(s) of time, if any, during which the Executive is not in compliance with Section 10(b).

(vi) “**Restricted Area**” shall mean any country or subdivision thereof in which the Executive works or about which the Executive develops or receives Confidential Information, in either case during the Reference Period and in which the Company or its Affiliates engages in the Business.

(b) Non-Competition; Non-Solicitation. The Executive and the Company agree to the non-competition and non-solicitation provisions of this Section 10(b)(i) in consideration for the Confidential Information provided by the Company to the Executive pursuant to Section 9; (ii) to protect the trade secrets and confidential information of the Company or its Affiliates disclosed or entrusted to the Executive by the Company or its Affiliates or created or developed by the Executive for the Company or its Affiliates, the business goodwill of the Company or its Affiliates developed through the efforts of the Executive and/or the business opportunities disclosed or entrusted to the Executive by the Company or its Affiliates; and (iii) as an additional incentive for the Company to enter into this Agreement.

(i) Subject to the exceptions set forth in Section 10(b)(ii), the Executive covenants and agrees that during the Prohibited Period (A) the Executive will refrain from carrying on or engaging in, directly or indirectly, any Competing Business in the Restricted Area and (B) the Executive will not, and the Executive will cause the Executive’s affiliates not to, directly or indirectly, own, manage, operate, join, become an employee, partner, owner or member of (or an independent contractor to), control or participate in or loan money to, sell or lease equipment to or sell or lease real property to any business, individual, partnership, firm, corporation or other entity which engages in a Competing Business in the Restricted Area.

(ii) Notwithstanding the restrictions contained in Section 10(b)(i), the Executive or any of the Executive’s affiliates may own an aggregate of not more than 1% of the outstanding voting securities of any class of an entity engaged in a Competing Business, if such securities are listed on a national securities exchange or regularly traded

in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 10(b), provided that neither the Executive nor any of the Executive's affiliates (A) has the power, directly or indirectly, to control or direct the management or affairs of such entity or (B) is involved in the management of such entity.

(iii) The Executive further covenants and agrees that during the Prohibited Period, the Executive will not, and the Executive will cause the Executive's affiliates not to (A) engage or employ, or solicit or contact with a view to the engagement or employment of, any person who is then currently an officer or employee of the Company or any of its Affiliates or was an officer or employee of the Company or any of its Affiliates within the prior six months or (B) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its Affiliates any person who or which is or was (1) a customer of the Company or any of its Affiliates during the Reference Period and (2) with whom or which the Executive either had contact or a relationship with or about whom or which the Executive developed or acquired Confidential Information during the Reference Period.

(iv) The Executive may seek the written consent of the Company, which may be withheld for any or no reason, to waive the provisions of this Section 10 on a case-by-case basis.

(v) The Executive recognizes that the Executive is a high-level, executive employee who will develop and/or be provided with access to trade secrets as part of the Executive's employment and that the restrictive covenants set forth in this Section 10(b) are reasonable and necessary in light of the Executive's position and access to the Company's trade secrets.

(c) Reasonableness; Enforcement. The Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 10(b) are reasonable and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. The Executive hereby represents to the Company that the Executive has read and understands, and agrees to be bound by, the terms of this Section 10. The Executive acknowledges that the geographic scope and duration of the covenants contained in this Section 10 are the result of arm's-length bargaining and are fair and reasonable in light of (i) the nature and wide geographic scope of the operations of the Business, (ii) the Executive's level of control over and contact with the Business in all jurisdictions in which it is conducted, (iii) the fact that the Business is conducted throughout the Restricted Area and (iv) the amount of compensation, trade secrets and Confidential Information that the Executive is receiving in connection with the performance of the Executive's duties hereunder. It is the desire and intent of the parties that the provisions of this Section 10 be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, the Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Section 10 invalid or unenforceable.

(d) Reformation. The Company and the Executive agree that the foregoing restrictions are reasonable under the circumstances and that any breach of the covenants contained in this Section 10 would cause irreparable injury to the Company. The Executive represents that enforcement of the restrictive covenants set forth in this Section 10 will not impose an undue hardship upon the Executive or any person or entity affiliated with the Executive. The Executive understands that the foregoing restrictions may limit the Executive's ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that the Confidential Information provided to or developed by the Executive is of such importance that it justifies such restriction. Further, the Executive acknowledges that the Executive's skills are such that the Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent the Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and the Executive intend to make this provision enforceable under the Legal Requirements of all applicable jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal.

11. Responsibilities with Respect to Confidential Information of Prior Employers. The Company requires the Executive to protect and secure the Company's Confidential Information and intellectual property. Likewise, the Company requires the Executive to protect the confidential information and intellectual property of the Executive's former employers. Accordingly, as a condition of continued employment with the Company:

(a) The Executive agrees not to use, have in the Executive's possession, or refer to any information, data, process, or method which is or was claimed to be confidential or proprietary by any former employer or any customer, supplier or consultant of a former employer.

(b) The Executive will not, during the Employment Term and thereafter, breach any other agreement obligating the Executive to keep in confidence confidential or proprietary information, knowledge, or data acquired by the Executive in confidence or in trust in connection with prior employment before beginning employment with the Company. The Executive will not disclose to the Company or any employee of the Company, or induce the Company or any employee of the Company to use in any unauthorized manner any confidential or proprietary information or material belonging to a former employer of the Executive.

(c) To the extent that the Executive has participated in conversations, meetings or other sharing of information and ideas with attorneys representing the Executive's previous employers, the Executive agrees not to disclose the substance or content of such communications to anyone at the Company.

12. Certain Definitions. Capitalized terms used in the Agreement and not otherwise defined herein shall have the following respective meanings:

(a) “**Affiliate**” shall mean any company or other entity controlled by, controlling or under common control with the Company.

(b) “**Annual Bonus Plan**” shall mean any annual bonus or short-term incentive plan or program established by the Company.

(c) “**Business Day**” shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are closed (whether such closure is authorized or obligated by law or executive order).

(d) “**Change of Control**” shall mean:

(i) there shall have occurred an event required to be reported with respect to the Company in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item or any similar schedule or form) promulgated under the Exchange Act, whether or not the Company is then subject to such reporting requirement;

(ii) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) shall have become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then outstanding voting securities;

(iii) the Company or its subsidiary is a party to a merger or other transaction pursuant to which the shareholders of the other party to such merger or transaction shall have become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (or the entity resulting from such merger or other transaction) representing 40% or more of the combined voting power of the Company’s then outstanding voting securities (or the then outstanding voting securities of the entity resulting from such merger or other transaction);

(iv) the Company is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; or

(v) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (including, for this purpose, any new director whose election or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board.

(e) “**Change of Control Period**” shall mean the period commencing on the occurrence of a Change of Control and ending on the third anniversary of such date.

(f) “**Code**” shall mean the Internal Revenue Code of 1986, as amended.

(g) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

(h) “**Termination Date**” shall mean the date of the Executive’s “separation from service” within the meaning of Section 409A of the Code and the regulations and other guidance promulgated thereunder with the Company and all of its Affiliates, as described in Section 5(f).

13. Full Settlement.

(a) There shall be no right of set off or counterclaim against, or delay in, any payments to the Executive, or to the Executive’s heirs or legal representatives, provided for in this Agreement, in respect of any claim against or debt or other obligation of the Executive or others, whether arising hereunder or otherwise.

(b) In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced whether or not the Executive obtains other employment.

(c) If the Executive prevails in any material respect, the Company agrees to pay, all costs and expenses (including attorneys’ fees) that the Executive, or the Executive’s heirs or legal representatives, may reasonably incur as a result of any contest by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement, or any guarantee of performance thereof (including as a result of any contest by the Executive, or the Executive’s heirs or legal representatives, about the amount of any payment pursuant to this Agreement). The amounts payable by the Company pursuant to this Section 13(c) shall be paid no later than the end of the taxable year of the Executive that immediately follows the taxable year of the Executive in which such costs and expenses were incurred.

14. No Effect on Other Contractual Rights. The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable to the Executive, or in any way diminish the Executive’s rights as an employee of the Company or any of its Affiliates, whether existing on the date of this Agreement or hereafter, under any employee benefit plan, program or arrangement or other contract or agreement of the Company or any of its Affiliates providing benefits to the Executive.

15. Directors and Officers Insurance. The Company shall ensure that during the Employment Term, the Company acquires and maintains directors and officers liability insurance covering the Executive to the extent it is available at commercially reasonable rates as determined by the Board. The provisions of this Section 15 shall continue in effect notwithstanding termination of the Executive’s employment hereunder for any reason.

16. Injunctive Relief. In recognition of the fact that a breach by the Executive of any of the provisions of Section 9 or Section 10 will cause irreparable damage to the Company and/or its Affiliates for which monetary damages alone will not constitute an adequate remedy, the Company shall be entitled as a matter of right (without being required to prove damages or furnish any bond or other security) to obtain a restraining order, an injunction, an order of specific performance, or other equitable or extraordinary relief from any court of competent jurisdiction restraining any further violation of such provisions by the Executive or requiring the Executive to perform the Executive's obligations hereunder. Such right to equitable or extraordinary relief shall not be exclusive but shall be in addition to all other rights and remedies to which the Company or any of its Affiliates may be entitled at law or in equity, including the right to recover monetary damages for the breach by the Executive of any of the provisions of this Agreement.

17. Section 409A.

(a) This Agreement is intended to be exempt from or comply with the requirements of Section 409A of the Code ("**Section 409A**") and shall be construed and interpreted in accordance with such intent. To the extent any payment or benefit provided under this Agreement is subject to Section 409A, such benefit shall be provided in a manner that complies with Section 409A, including any IRS guidance promulgated with respect to Section 409A.

(b) Any provision of this Agreement to the contrary notwithstanding, if the Executive is a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, as determined by the Company, on the Executive's Termination Date, all amounts due under this Agreement that constitute a "deferral of compensation" within the meaning of Section 409A of the Code, that are provided as a result of a "separation from service" within the meaning of Section 409A of the Code, and that would otherwise be paid or provided during the first six months following the Executive's Termination Date, shall be accumulated through and paid or provided on the first Business Day that is more than six months after the Executive's Termination Date (or, if Executive dies during such six month period, within 30 days after Executive's death).

(c) All reimbursements or provision of in-kind benefits pursuant to this Agreement shall be made in accordance with Treasury Regulation § 1.409A-3(i)(1)(iv) such that the reimbursement or provision will be deemed payable at a specified time or on a fixed schedule relative to a permissible payment event. Specifically, the amount reimbursed or in-kind benefits provided under this Agreement during Executive's taxable year may not affect the amounts reimbursed or provided in any other taxable year (except that total reimbursements may be limited by a lifetime maximum under a group health plan), the reimbursement of an eligible expense shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred, and the right to reimbursement or provision of in-kind benefit is not subject to liquidation or exchange for another benefit.

(d) If the period during which any payment must be made under Sections 6(b) or 6(c) of this Agreement begins in one taxable year and ends in a second taxable year, such payment shall be made in the second taxable year to the extent required to avoid any tax, interest or penalties under Section 409A.

(e) Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company or its Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

18. Governing Law and Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to the principles of conflicts of laws thereof. Venue for any action or proceeding relating to this Agreement and/or the employment relationship hereunder shall lie exclusively in courts in Harris County, Texas.

19. Notices. All notices, requests, demands and other communications required or permitted to be given or made hereunder by either party hereto shall be in writing and shall be deemed to have been duly given or made (i) when delivered personally, (ii) when sent by facsimile transmission, or (iii) five days after being deposited in the United States mail, first class registered or certified mail, postage prepaid, return receipt requested, to the party for which intended at the following addresses (or at such other addresses as shall be specified by the parties by like notice, except that notices of change of address shall be effective only upon receipt):

If to the Company, at	Dril-Quip, Inc. Attention: General Counsel 6401 N. Eldridge Pkwy. Houston, TX 77041 Fax No.: (713) 939-5329
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If to the Executive, at the current address in the Company's personnel files.

20. Binding Effect; Assignment; No Third Party Benefit.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and shall be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company shall require any successor or assign (whether direct or indirect, by purchase, merger, consolidation, amalgamation or otherwise) to all or substantially all the business and/or assets of the Company, by agreement in writing in form and substance reasonably satisfactory to the Executive, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor or assign to the business and/or assets of the Company as aforesaid which executes and delivers the agreement provided for in this Section 20(c) or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(d) Nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the parties hereto and their respective heirs, legal representatives, successors and permitted assigns, any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

21. Miscellaneous.

(a) Amendment. This Agreement may not be modified or amended in any respect except by an instrument in writing signed by the party against whom such modification or amendment is sought to be enforced. No person, other than pursuant to a resolution of the Board or a committee thereof, shall have authority on behalf of the Company to agree to modify, amend or waive any provision of this Agreement or anything in reference thereto.

(b) Waiver. Any term or condition of this Agreement may be waived at any time by the party hereto which is entitled to have the benefit thereof, but such waiver shall only be effective if evidenced by a writing signed by such party, and a waiver on one occasion shall not be deemed to be a waiver of the same or any other type of breach on a future occasion. No failure or delay by a party hereto in exercising any right or power hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right or power.

(c) Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(d) Nonalienation of Benefits. The Executive shall not have any right to pledge, hypothecate, anticipate or in any way create a lien upon any payments or other benefits provided under this Agreement; and no benefits payable hereunder shall be assignable in anticipation of payment either by voluntary or involuntary acts, or by operation of law, except by will or pursuant to the laws of descent and distribution.

(e) Severability. If any provision of this Agreement is held to be invalid or unenforceable, (i) this Agreement shall be considered divisible, (ii) such provision shall be deemed inoperative to the extent it is deemed invalid or unenforceable, and (iii) in all other respects this Agreement shall remain in full force and effect; *provided, however*, that if any such provision may be made valid or enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be valid and/or enforceable to the maximum extent permitted by applicable law.

(f) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto concerning the subject matter hereof, and from and after the Effective Date, this Agreement shall supersede any other prior agreement or understanding, both written and oral, between the parties with respect to such subject matter.

(g) Captions. The captions herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

(h) References. All references in this Agreement to Sections, subsections and other subdivisions refer to the Sections, subsections and other subdivisions of this Agreement unless provided otherwise. The words “this Agreement”, “herein”, “hereof”, “hereby”, “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless so limited. Whenever the words “include”, “includes” and “including” are used in this Agreement, such words shall be deemed to be followed by the words “without limitation”. Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

[Execution Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, and the Executive has executed this Agreement, as of the date first above set forth.

DRIL-QUIP, INC.

/s/ Jeffrey J. Bird

Name: Jeffrey J. Bird

Title: President and Chief Operating Officer

EXECUTIVE

/s/ James C. Webster

James C. Webster



Dril-Quip, Inc. Announces Appointment of Kyle McClure as Chief Financial Officer

December 2, 2021

HOUSTON, Dec. 02, 2021 (GLOBE NEWSWIRE) – [Dril-Quip, Inc.](#) (NYSE: DRQ) (the “Company” or “Dril-Quip”) announced today that its Board of Directors has appointed Kyle F. McClure as its Vice President and Chief Financial Officer effective January 1, 2022.

Mr. McClure, age 46, has most recently served as Chief Financial Officer of Airswift, a global workforce solutions company, from June 2019 until December 2021. Prior to joining Airswift, Mr. McClure served as Senior Vice President and Chief Financial Officer of Frank’s International, a provider of engineered tubular services to the oil and gas industry, from March 2017 until June 2019, and before that as Treasurer of Frank’s International from March 2015 until March 2017. Prior to joining Frank’s International, Mr. McClure served in a variety of finance and accounting positions of increasing responsibility at Ascend Performance Materials, Cooper Industries plc and Dell Technologies.

Jeff Bird, Dril-Quip’s President and Chief Operating Officer, remarked, “I am very pleased to have Kyle join Dril-Quip as our Chief Financial Officer. I have worked closely with Kyle before and know he has the financial expertise, experience and leadership skills to lead our Finance function and be a significant contributor to our overall strategy. Kyle is an ideal fit for this position and our team, and we believe he will be a great addition to Dril-Quip.”

About Dril-Quip

Dril-Quip is a leading manufacturer of highly engineered onshore and offshore drilling and production equipment that is particularly well suited for use in deep water, harsh environments, and severe service applications.

www.dril-quip.com

<https://www.linkedin.com/company/dril-quip>

Investor Relations Contact

Blake Holcomb – Director of Investor Relations and Corporate Planning
(713) 939-0047 x 6364
Blake_Holcomb@dril-quip.com



Source: Dril-Quip, Inc.