



POLICY REGARDING EXECUTIVE COMPENSATION ARRANGEMENTS

The Board of Directors of Nabors Industries Ltd. has adopted the following policies regarding certain benefits in compensation arrangements with named executive officers of Nabors Industries Ltd. and its subsidiaries (collectively, "Nabors").

1. Death Benefits.

Nabors will not enter into any agreement, or adopt any plan or policy, that would obligate Nabors to make or pay Death Benefits to any named executive officer. The Board reserves the right, however, to include Death Benefits in compensation arrangements if they are of a type offered to other Nabors employees. This policy does not apply to Death Benefits in compensation arrangements existing at the time of the adoption of this policy, or to changes therein that do not increase the overall value of those benefits.

2. Severance Benefits.

Nabors will not enter into a Severance Agreement with a named executive officer that provides for Severance Benefits in an amount reasonably likely to exceed 2.99 times the sum of the senior executive's annual base salary and target incentive bonus for the year of termination or, if greater, the average of the sum of the senior executive's base salary and bonus for the three fiscal years preceding termination (the "Severance Benefits Limit"), unless such Severance Agreement is approved by the affirmative vote of a majority of the votes cast at an annual or special meeting of the shareholders of Nabors Industries Ltd. at which a quorum is present. Shareholder approval may be sought after entry into the Severance Agreement.

3. General.

For the purposes of this policy, the following terms shall have the following meaning:

"Death Benefits" means any payment, grant or award following the death of a senior executive in the form of unearned salary or bonuses, awards of ungranted equity, or other payments or awards made in lieu of compensation.

"Severance Agreement" means a compensatory or severance plan, contract or arrangement applicable to a senior executive providing for payment of Severance Benefits in connection with his or her severance from Nabors entered into or made effective after the adoption of this policy. "Severance Agreement" includes any modification, renewal or extension of any such plan, contract or arrangement, but does not include a plan, contract or arrangement existing at the time of the adoption



of this policy or changes thereto that do not increase the overall cost to Nabors of those existing benefits.

“Severance Benefits” means:

- (i) severance amounts that would be payable in cash to a senior executive, including payments in lieu of medical benefits and for any tax gross-ups due to termination of employment and
- (ii) special benefits provided to a senior executive at the time of his or her termination of employment, including the estimated value of future consulting fees and the present value of additional age and service credited for benefit accrual under any pension or retirement plan.

Notwithstanding the foregoing, the terms “Severance Benefits” and “Death Benefits” shall not include:

- (i) the value of awarded but unvested equity or non-qualified deferred compensation amounts outstanding as of the date of termination,
- (ii) compensation and benefits (including pension and retirement benefits) earned, accrued or otherwise provided for services rendered through the date of termination (other than any such compensation or benefits awarded at the time of and in connection with the senior executive’s termination of employment), including any annual incentive deemed earned for the year of termination,
- (iii) the value of any medical or other incidental benefits provided upon or following termination of employment,
- (iv) amounts paid for post-termination covenants (such as covenants not to compete or not to solicit employees or customers),
- (v) any payment that the Board or a committee thereof determines in its sole discretion to be a reasonable payment in settlement of any claim made or threatened against Nabors, or
- (vi) any payments (including reimbursement of expenses and legal fees) pursuant to any charter provision, contract, policy or other arrangement providing for indemnification.

The Compensation Committee of the Board has exclusive authority to interpret this policy.