



Anti-Corruption Policy Statement

It is Scientific Drilling International, Inc. and its subsidiaries and affiliates (collectively, “SDI”) policy to conduct business honestly and ethically. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, and with integrity in all our business dealings and relationships, wherever we operate.

SDI will abide by the anti-corruption laws in every country in which we operate including the **US Foreign Corrupt Practices Act** and **UK Bribery Act 2010**; these laws cover our activities in every country where we operate, not just the US or UK. The FCPA makes it illegal for any corporation or person established in or acting within the US to influence, bribe, or seek an advantage from a foreign official, while the Bribery Act forbids bribery by or of any person.

Because of the global nature of SDI’s business and the extra-territorial reach of most anti-corruption laws, a single act of bribery or corruption can lead to criminal charges and unlimited fines for individuals and SDI in multiple countries. We therefore take our legal responsibilities seriously.

What is bribery?

A bribe is an inducement or reward offered, promised, or provided in order to gain any commercial, contractual, regulatory, or personal advantage. Bribery is intended to influence an individual in the performance of his duty and incline him to act in a way that a reasonable person would consider dishonest under the circumstances. For example:

- **Offering a bribe.** You offer a potential customer tickets to a major sporting event, but only if he agrees to do business with SDI. This is an offense as you are making the offer to gain a commercial and contractual advantage or to obtain business. It may also be an offense if the potential customer accepts your offer.
- **Receiving a bribe.** A vendor gives your cousin a job, but makes it clear that in return he expects you to use your influence within SDI to ensure we continue to do business with them. It is an offense for a vendor to make the offer, and it would be an offense for you to accept the offer as you would be doing so to gain a personal advantage.
- **Bribing a foreign official.** You offer to make an additional payment to a foreign official to alter an administrative process (e.g., access to work visas, when they are limited in number). Because this offer is made to gain a business advantage, the offense of bribing a foreign official is committed as soon as the offer is made.

Gifts and Hospitality

Our policy does not prohibit normal and appropriate hospitality to or from third parties, if the following requirements are met:

- not made with the intent to influence a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits;

- complies with local law;
- given in SDI's name, not in your name;
- does not include cash or a cash equivalent (e.g., gift card, voucher);
- appropriate in the circumstances (e.g., a nominally priced Christmas gift); and
- given openly, not secretly.

Facilitation Payments

Facilitation payments are small, unofficial payments made to government officials for routine government actions. They are uncommon in the US and UK but are commonly paid in many countries where SDI operates. While the FCPA recognizes and addresses these payments, the Bribery Act absolutely forbids them.

If you are asked to make a payment on SDI's behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the good or service provided. You should always ask for a receipt detailing the reason for the payment.

Protection Money

In some parts of the world, local gangs offer protection services, which are a form of extortion involving threats of violence. SDI does not pay for protection, and you must report any such requests immediately. If, however, you believe your safety or that of your family or fellow employees is at risk, act first to ensure safety and then report the request.

Political Donations

SDI does not make political donations of any kind in any jurisdiction. If you wish to make political contributions, you are free to do so but they must be made in your name with no attribution to SDI.

Charitable Donations

SDI may on occasion make a charitable donation, but it must not be offered to gain a business advantage and must have senior management's prior approval.

Are there actions you can take?

Recordkeeping and reporting. It is important that you keep records of all financial transactions including those that could potentially be interpreted as bribery; this ensures that there is an appropriate paper trail to refer to in the event of prosecution. Likewise, report any actions to your manager and the General Counsel.

Responsibilities for enforcement. Managers are responsible for ensuring their employees are fully informed of policy requirements and for adopting and enforcing appropriate controls to ensure compliance with this policy statement.

How do you raise a concern?

If you have any concern about any situation relating to this policy statement, seek guidance from your manager or the Compliance Group before doing or omitting to do anything that could compromise you or SDI. If you have any questions about this policy statement, contact the Compliance Group.

What do you do if you are a victim of or become aware of bribery or corruption?

It is important that you promptly contact the Compliance Group, if you become aware of any act of bribery or corruption involving or related in any way to SDI or its employees. Contact may be made with the Compliance Group using any of the following methods:

Email: compliance@scientificdrilling.com

Mail: Scientific Drilling International, Inc.
Attention: Compliance Group
16701 Greenspoint Park Drive
Suite 200
Houston, Texas 77060

Hotline: 281.214.7540 (leaving an anonymous voice message)

Regardless of how a report is made, you will not suffer retaliation for reporting, in good faith, a violation or suspected violation of this policy statement.