

Nabors Industries Ltd. Policy Regarding Director Candidates Recommended by Shareholders

Nabors Industries Ltd. (“Nabors”) seeks highly qualified director candidates from diverse professional backgrounds who combine a broad spectrum of experience and expertise. They should have experience in positions with a high degree of responsibility and be leaders in the companies or institutions with which they are affiliated. Nabors selects Board members based upon contributions they can make to the Board and management and their ability to represent the interests of Nabors’ shareholders, regardless of gender or race. Nabors’ corporate governance policies provide that Nabors’ Boards should have a significant majority of independent directors.

Nomination Process: The Board’s Governance and Nominating Committee identifies and evaluates director candidates. The Committee accepts shareholder recommendations of director candidates and evaluates such candidates in the same manner as other candidates. The Committee evaluates director candidates under the criteria described above based on the information the Committee receives or otherwise possesses, which may be supplemented by additional inquiries and interviews. The Committee receives input on such director candidates from other directors, including the Chairman, and recommends director candidates to the full Board for nomination. The Committee may engage a third party to assist in the search for director candidates or to assist in gathering information regarding a director candidate’s background and experience. If the Committee engages a third party, the Committee approves the fee that Nabors pays for these services.

Shareholder Input: Nabors shareholders who wish to recommend a candidate for the Committee’s consideration must submit the recommendation in writing to the Committee in accordance with the Board’s *Policy Regarding Shareholder Communication with the Board of Directors*. The recommendation must demonstrate that it is being submitted by a current Nabors shareholder and must include information about the candidate, including name, age, business address, principal occupation, principal qualifications and other relevant biographical information. Shareholders also must provide confirmation of the candidate’s consent to serve as a director.

Proxy Access: The Company will include in its annual meeting proxy statement information concerning nominees submitted by shareholders in accordance with this policy. The form of proxy solicited by the Company will include the names of shareholder nominees in addition to the nominees approved by the Board of Directors. A single shareholder (a “Nominator”) may nominate a single candidate for inclusion in the Company’s proxy materials, provided that the shareholder:

- a) has beneficially owned 5% or more of Nabors’ outstanding common stock continuously for at least three years commencing on or after June 3, 2014, as of

both the date the nomination is submitted and the record date for the annual meeting;

- b) gives Nabors written notice within the time period identified in Nabors' bye-laws of the information required by the bye-laws and any rules of the Securities and Exchange Commission about (i) the nominee, including consent to being named in the proxy materials and to serving as a director if elected; and (ii) the Nominator, including proof it owns the required shares (the "Disclosure"); and
- c) certifies that:
 - (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator's communications with Nabors shareholders, including the Disclosure and Statement;
 - (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than Nabors' proxy materials and will include, in any form of proxy solicited by it, the names of all nominees appearing in the Company's proxy statement;
 - (iii) to the best of its knowledge, the required shares were acquired and are held in the ordinary course of business and not to change or influence control at Nabors;
 - (iv) the nomination is not being made in concert with any other shareholder or to advance the interests of any third party, including in order to change or influence control at Nabors; and
 - (v) it will comply with the requirement in (a) above with respect to share ownership.

The information included in the Company's proxy statement concerning a shareholder nominee will be limited to the information concerning the candidate and the Nominator required to be disclosed in accordance with the rules of the Securities and Exchange Commission. Each Nominator may submit a statement of up to 500 words that complies with this requirement (the "Statement").

In addition, the Nominator and its nominee must submit, with the nomination, a signed statement acknowledging that:

- (a) the nominee, if elected, will represent all Company stockholders in accordance with applicable laws and the Company's constitutive documents, including its bye-laws; and
- (b) the nominee, if elected, will comply with the Company's (i) Code of Business Conduct, (ii) Guidelines on Significant Corporate Governance Matters, and (iii) any other applicable rule, regulation, policy or standard of conduct applicable to the Board of Directors and its individual members.

Each nominee must also submit a fully completed and signed Questionnaire for Directors and Officers on the Company's standard form.

Neither the number of nominees nor the number of directors serving after having been nominated in this manner shall exceed twenty percent of the number of directors then serving. The director(s) serving as a result of the current Standstill Agreement between the Company and Pamplona shall be considered as having been nominated in this manner. Before being included in the Company's proxy statement, all candidates are subject to the vetting procedures applicable to all directors, including without limitation a background check, review of independence and conflicts of interest, and compliance with the Company's bye-laws and corporate governance policies, The Board reserves the right to exclude from the proxy statement any nominee who is disqualified under these procedures.

The Governance and Nominating Committee is authorized to adopt such rules and procedure as it deems appropriate for the purpose of implementing this policy and to determine any questions of interpretation that may arise hereunder, including resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bye-laws and any applicable regulations, and the priority to be given to multiple nominations exceeding the twenty-percent limit. Any nominee included in the proxy statement shall, at the discretion of the Board, be identified as a shareholder nominee, and the Board reserves the right to recommend against election of the nominee and to nominate other candidates for election to the Board.

If any Nominator's nominee does not receive at least 33% of the votes present and entitled to vote at the meeting where directors are elected, both the Nominator and the nominee will be precluded from nominating or serving for three years from the date of the annual meeting in question.

Timing: Shareholders may make recommendations at any time, but recommendations for consideration for nominees at the annual meeting of shareholders must be received in the manner and within the time described in Nabors' proxy statement released to shareholders in conjunction with the previous year's annual meeting.