

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2018**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **1-4601**

**Schlumberger N.V.
(Schlumberger Limited)**

(Exact name of registrant as specified in its charter)

Curaçao
(State or other jurisdiction of incorporation or organization)

52-0684746
(IRS Employer Identification No.)

**42, rue Saint-Dominique
Paris, France**

75007

**5599 San Felipe, 17th Floor
Houston, Texas, United States of America**

77056

**62 Buckingham Gate,
London, United Kingdom**

SW1E 6AJ

**Parkstraat 83, The Hague,
The Netherlands**
(Addresses of principal executive offices)

2514 JG
(Zip Codes)

Registrant's telephone number in the United States, including area code, is: **(713) 513-2000**

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

Title of each class
Common Stock, par value \$0.01 per share

Name of each exchange on which registered
New York Stock Exchange
Euronext Paris
The London Stock Exchange
SIX Swiss Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

As of June 30, 2018, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was approximately \$92.72 billion.

As of December 31, 2018, the number of shares of common stock outstanding was 1,382,964,324.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required to be furnished pursuant to Part III of this Form 10-K is set forth in, and is incorporated by reference from, Schlumberger's definitive proxy statement for its 2019 Annual General Meeting of Stockholders, to be filed by Schlumberger with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after December 31, 2018 (the "2019 Proxy Statement").

SCHLUMBERGER LIMITED
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PART I

Item 1. Business.

All references in this report to “Registrant,” “Company,” “Schlumberger,” “we” or “our” are to Schlumberger Limited (Schlumberger N.V., incorporated in Curaçao) and its consolidated subsidiaries.

Founded in 1926, Schlumberger is the world’s leading provider of technology for reservoir characterization, drilling, production and processing to the oil and gas industry. Having invented wireline logging as a technique for obtaining downhole data in oil and gas wells, today Schlumberger supplies the industry’s most comprehensive range of products and services, from exploration through production, and integrated pore-to-pipeline solutions that optimize hydrocarbon recovery to deliver reservoir performance. As of December 31, 2018, the Company employed approximately 100,000 people of over 140 nationalities operating in more than 85 countries. Schlumberger has executive offices in Paris, Houston, London and The Hague.

Schlumberger operates in each of the major oilfield service markets, through four segments: Reservoir Characterization, Drilling, Production and Cameron. Each segment consists of a number of technology-based service and product lines, or Technologies. These Technologies cover the entire life cycle of the reservoir and correspond to a number of markets in which Schlumberger holds leading positions. The role of the Technologies is to support Schlumberger in providing the best possible service to customers and to ensure that Schlumberger remains at the forefront of technology development and services integration. The Technologies are collectively responsible for driving excellence in execution throughout their businesses; overseeing operational processes, resource allocation and personnel; and delivering superior financial results.

The segments are as follows:

Reservoir Characterization – Consists of the principal Technologies involved in finding and defining hydrocarbon resources. These include WesternGeco[®], Wireline, Testing Services, OneSurface[®], Software Integrated Solutions (“SIS”) and Integrated Services Management (“ISM”).

- *WesternGeco* is a leading geophysical services supplier, providing comprehensive worldwide reservoir interpretation and data processing services. It provides a highly efficient and scientifically advanced imaging platform to its customers. Through access to the industry’s global marine fleet, it provides accurate measurements and images of subsurface geology and rock properties for multiclient surveys. WesternGeco offers the industry’s most extensive multiclient library.
- *Wireline* provides the information necessary to evaluate subsurface formation rocks and fluids to plan and monitor well construction, and to monitor and evaluate well production. Wireline offers both openhole and cased-hole services including wireline perforating. Slickline services provide downhole mechanical well intervention.
- *Testing Services* provides exploration and production pressure and flow-rate measurement services both at the surface and downhole. Testing has a network of laboratories that conduct rock and fluid characterization. Testing also provides tubing-conveyed perforating services.
- *OneSurface* provides a unique, reservoir-driven, fit-for-purpose integrated production system for accelerating first oil and gas and maximizing project economics.
- *Software Integrated Solutions* sells proprietary software and provides consulting, information management and IT infrastructure services to customers in the oil and gas industry. SIS also offers expert consulting services for reservoir characterization, field development planning and production enhancement, as well as industry-leading petrotechnical data services and training solutions.
- *Integrated Services Management* provides coordination and management of Schlumberger services, products and third parties in projects around the world. ISM offers a certified integrated services project manager as a focal point of contact between the project owner and the various Schlumberger services, ensuring alignment of project objectives.

Drilling – Consists of the principal Technologies involved in the drilling and positioning of oil and gas wells and comprises Bits & Drilling Tools, M-I SWACO, Drilling & Measurements, Land Rigs and Integrated Drilling Services (“IDS”).

- *Bits & Drilling Tools* designs, manufactures and markets roller cone and fixed cutter drill bits for all environments. The drill bits include designs for premium market segments where faster penetration rates and increased footage provide significant economic benefits in lowering overall well costs. Drilling Tools includes a wide variety of bottom-hole-assembly, borehole-enlargement technologies and impact tools, as well as a comprehensive collection of tubulars and tubular services for oil and gas drilling operations.

- *M-I SWACO* is a supplier of drilling fluid systems engineered to improve drilling performance by anticipating fluids-related problems; fluid systems and specialty equipment designed to optimize wellbore productivity; and production technology solutions formulated to maximize production rates. M-I SWACO also provides engineered managed pressure drilling and underbalanced drilling solutions, as well as environmental services and products to safely manage waste volumes generated in both drilling and production operations.
- *Drilling & Measurements* provides mud logging services for geological and drilling surveillance, directional drilling, measurement-while-drilling and logging-while-drilling services for all well profiles as well as engineering support.
- *Land Rigs* provides land drilling rigs and related support services. The land drilling system of the future, currently under development, represents an integrated drilling platform bringing together digitally enabled surface and downhole hardware combined with a common optimization software to create a step-change in operational efficiency.
- *Integrated Drilling Services* supplies all of the services necessary to construct or change the architecture (re-entry) of wells. IDS covers all aspects of well planning, well drilling, engineering, supervision, logistics, procurement and contracting of third parties, and drilling rig management.

Production – Consists of the principal Technologies involved in the lifetime production of oil and gas reservoirs and includes Well Services, OneStim[®], Completions, Artificial Lift, and Schlumberger Production Management (“SPM”).

- *Well Services* provides services used during oil and gas well drilling and completion as well as those used to maintain optimal production throughout the life of a well. Such services include pressure pumping, well cementing and stimulation, and coiled tubing equipment for downhole mechanical well intervention, reservoir monitoring and downhole data acquisition.
- *OneStim* provides a low cost-to-serve and highly competitive service delivery platform in North America’s unconventional plays. The services include hydraulic fracturing, multistage completions, perforating, coiled tubing equipment and services for downhole mechanical well intervention, and a vertically integrated product and logistics organization.
- *Completions* supplies well completion services and equipment that include packers, safety valves, sand control technology as well as a range of intelligent well completions technology and equipment.
- *Artificial Lift* provides production equipment and optimization services using electrical submersible pumps, gas lift equipment, rod lift systems, progressing cavity pumps and surface horizontal pumping systems.
- *Schlumberger Production Management* is a business model for field production projects. This model combines the required services and products of the Technologies with drilling rig management, specialized engineering and project management expertise to provide a complete solution to well construction and production improvement.

SPM creates alignment between Schlumberger and the asset holder and/or the operator whereby Schlumberger receives remuneration in line with its value creation. These projects are generally focused on developing and co-managing production of customer assets under long-term agreements. Schlumberger will invest its own services and products, and in some cases cash, into the field development activities and operations. Although in certain arrangements Schlumberger is paid for a portion of the services or products it provides, generally Schlumberger will not be paid at the time of providing its services or upon delivery of its products. Instead, Schlumberger is generally compensated based upon cash flow generated or on a fee-per-barrel basis. This includes certain arrangements whereby Schlumberger is only compensated based upon incremental production that it helps deliver above a mutually agreed baseline. SPM represented less than 5% of Schlumberger’s consolidated revenue during each of 2018, 2017 and 2016.

Cameron – Consists of the principal Technologies involved in pressure and flow control for drilling and intervention rigs, oil and gas wells and production facilities, and includes OneSubsea[®], Surface Systems, Drilling Systems, and Valves & Measurement.

- *OneSubsea* provides integrated solutions, products, systems and services for the subsea oil and gas market, including integrated subsea production systems involving wellheads, subsea trees, manifolds and flowline connectors, control systems, connectors and services designed to maximize reservoir recovery and extend the life of each field. OneSubsea offers integration and optimization of the entire production system over the life of the field by leveraging flow control expertise and process technologies with petrotechnical expertise and reservoir and production technologies.
- *Surface Systems* designs and manufactures onshore and offshore platform wellhead systems and processing solutions, including valves, chokes, actuators and Christmas trees, and provides services to oil and gas operators.

- *Drilling Systems* provides drilling equipment and services to shipyards, drilling contractors, E&P companies and rental tool companies. The products fall into two broad categories: pressure control equipment and rotary drilling equipment. These products are designed for either onshore or offshore applications and include drilling equipment packages, blowout preventers (BOPs), BOP control systems, connectors, riser systems, valves and choke manifold systems, top drives, mud pumps, pipe handling equipment, rig designs and rig kits.
- *Valves & Measurement* serves portions of the upstream, midstream and downstream markets and provides valve products and measurement systems that are primarily used to control, direct and measure the flow of oil and gas as they are moved from wellheads through flow lines, gathering lines and transmission systems to refineries, petrochemical plants and industrial centers for processing.

Supporting the Technologies is a global network of research and engineering centers. Through this organization, Schlumberger is committed to advanced technology programs that enhance oilfield efficiency, lower finding and producing costs, improve productivity, maximize reserve recovery and increase asset value while accomplishing these goals in a safe and environmentally sound manner.

A network of GeoMarket* regions, within each of four major geographic areas of North America, Latin America, Europe/CIS/Africa and Middle East & Asia, provides logistical, technical and commercial coordination.

The GeoMarket structure offers customers a single point of contact at the local level for field operations and brings together geographically focused teams to meet local needs and deliver customized solutions. The GeoMarkets are responsible for providing the most efficient and cost-effective support possible to the operations.

Schlumberger primarily uses its own personnel to market its offerings. The customer base, business risks and opportunities for growth are essentially uniform across all services and products. Manufacturing and engineering facilities as well as research centers are shared, and the labor force is interchangeable. Technological innovation, quality of service and price differentiation are the principal methods of competition, which vary geographically with respect to the different services and products offered. While Schlumberger has numerous competitors, both large and small, Schlumberger believes it is an industry leader in providing geophysical equipment and services, wireline logging, well production testing, exploration and production software, rig equipment, surface equipment, subsea equipment, artificial lift, hydraulic fracturing, cementing, coiled-tubing services, drilling and completion fluids, solids control and waste management, drilling pressure control, drill bits, measurement-while-drilling, logging-while-drilling, directional-drilling services, and surface data (mud) logging.

GENERAL

Intellectual Property

Schlumberger owns and controls a variety of intellectual property, including but not limited to patents, proprietary information and software tools and applications that, in the aggregate, are material to Schlumberger's business. While Schlumberger seeks and holds numerous patents covering various products and processes, no particular patent or group of patents is material to Schlumberger's business.

Seasonality

Seasonal changes in weather and significant weather events can temporarily affect the delivery of oilfield services. For example, the spring thaw in Canada and consequent road restrictions can affect activity levels, while the winter months in the North Sea, Russia and China can produce severe weather conditions that can temporarily reduce levels of activity. In addition, hurricanes and typhoons can disrupt coastal and offshore operations. Furthermore, customer spending patterns for multiclient data, software and other oilfield services and products generally result in higher activity in the fourth quarter of each year as clients seek to fully utilize their annual budgets.

Customers and Backlog of Orders

For the year ended December 31, 2018, no single customer exceeded 10% of consolidated revenue. Other than the OneSubsea, Drilling Systems and WesternGeco businesses, Schlumberger has no significant backlog due to the nature of its businesses. The combined backlog of these businesses was \$2.7 billion at December 31, 2018 (of which approximately 50% is expected to be recognized as revenue during 2019) and \$2.5 billion at December 31, 2017.

Executive Officers of Schlumberger

The following table sets forth, as of January 23, 2019, the names and ages of the executive officers of Schlumberger, including all offices and positions held by each for the past five years.

Name	Age	Current Position and Five-Year Business Experience
Paal Kibsgaard	51	Chairman of the Board of Directors, since April 2015; Chief Executive Officer, since August 2011; Director since April 2011.
Simon Ayat	64	Executive Vice President and Chief Financial Officer, since March 2007.
Alexander C. Juden	58	Secretary and General Counsel, since April 2009.
Ashok Belani	60	Executive Vice President Technology, since January 2011.
Jean-Francois Poupeau	57	Executive Vice President Corporate Engagement, since May 2017; Executive Vice President Corporate Development and Communications, June 2012 to April 2017.
Patrick Schom	50	Executive Vice President, Wells, since May 2018; Executive Vice President, New Ventures, May 2017 to May 2018; President, Operations, August 2015 to May 2017; President, Operations & Integration, July 2013 to August 2015.
Khaled Al Mogharbel	48	President, Eastern Hemisphere, since May 2017; President, Drilling Group, July 2013 to April 2017; President, Middle East, August 2011 to June 2013.
Aaron Gatt Floridaia	50	President, Western Hemisphere, since May 2017; Chief Commercial Officer, May 2016 to May 2017; President, Reservoir Characterization Group, August 2011 to May 2016.
Stephane Biguet	50	Vice President Finance, since December 2017; Vice President and Treasurer, December 2016 to November 2017; Vice President Controller, Operations, August 2015 to December 2016; Vice President Controller, Operations & Integration, November 2013 to August 2015.
Pierre Chereque	64	Vice President and Director of Taxes, since June 2017; Director of Taxes, Operations July 2004 to May 2017.
Stephanie Cox	50	President NAL Drilling, since May 2018; Vice President Human Resources, June 2017 to April 2018; President, North America June 2016 to May 2017; President, Asia June 2014 to May 2016; Vice President, Human Resources May 2009 to May 2014.
Simon Farrant	54	Vice President Investor Relations, since February 2014; Special Projects Manager, December 2013 to January 2014.
Kevin Fyfe	45	Vice President and Controller, since October 2017; Controller, Cameron Group, April 2016 to October 2017; Vice President Finance, OneSubsea July 2013 to March 2016.
Hinda Gharbi	48	Vice President, Human Resources, since May 2018; President, Reservoir Characterization Group, June 2017 to May 2018; President, Wireline June 2013 to May 2017.
Howard Guild	47	Chief Accounting Officer, since July 2005.
Claudia Jaramillo	46	Vice President and Treasurer, since December 2017; ERM and Treasury Projects Manager, July 2017 to November 2017; Controller North America, July 2014 to July 2017; Controller, Drilling and Measurements, July 2011 to June 2014.
Vijay Kasibhatla	55	Director of Mergers and Acquisitions, since January 2013.
Saul R. Laureles	53	Director, Corporate Legal, since July 2014; Assistant Secretary, since April 2007; Deputy General Counsel, Governance and Securities, October 2012 to June 2014.

Olivier Le Peuch	55	Executive Vice President Reservoir and Infrastructure, since May 2018; President, Cameron Group, February 2017 to May 2018; President, Completions October 2014 to January 2017; Vice President EMS, August 2010 to September 2014.
Guy Arrington	55	Vice President, Operational Planning and Resource Management, since February 2018; President, M-I SWACO, February 2014 to January 2018; President, Bits and Advanced Technologies, September 2010 to January 2014.
Abdellah Merad	45	President NAL Production Group, since May 2018, President, Production Group, May 2017 to May 2018; Vice President Controller, Operations, December 2016 to April 2017; Vice President, Global Shared Services Organization, November 2013 to December 2016.

Available Information

The Schlumberger Internet website is www.slb.com. Schlumberger uses its Investor Relations website, www.slb.com/ir, as a routine channel for distribution of important information, including news releases, analyst presentations, and financial information. Schlumberger makes available free of charge through its Investor Relations website at www.slb.com/ir access to its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, its proxy statements and Forms 3, 4 and 5 filed on behalf of directors and executive officers, and amendments to each of those reports, as soon as reasonably practicable after such material is filed with or furnished to the Securities and Exchange Commission (“SEC”). Alternatively, you may access these reports at the SEC’s Internet website at www.sec.gov. Copies are also available, without charge, from Schlumberger Investor Relations, 5599 San Felipe, 17th Floor, Houston, Texas 77056. Unless expressly noted, the information on our website or any other website is not incorporated by reference in this Form 10-K and should not be considered part of this Form 10-K or any other filing Schlumberger makes with the SEC.

Item 1A. Risk Factors.

The following discussion of risk factors known to us contains important information for the understanding of our “forward-looking statements,” which are discussed immediately following Item 7A. of this Form 10-K and elsewhere. These risk factors should also be read in conjunction with Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and the *Consolidated Financial Statements* and related notes included in this Form 10-K.

We urge you to consider carefully the risks described below, as well as in other reports and materials that we file with the SEC and the other information included or incorporated by reference in this Form 10-K. If any of the risks described below or elsewhere in this Form 10-K were to materialize, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, the trading price of our common stock could decline and you could lose part or all of your investment. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our financial condition, results of operations and cash flows.

Demand for our products and services is substantially dependent on the levels of expenditures by our customers. A substantial or an extended decline in oil and gas prices could result in lower expenditures by our customers, which could have a material adverse impact on our financial condition, results of operations and cash flows.

Demand for our products and services depends substantially on expenditures by our customers for the exploration, development and production of oil and natural gas reserves. These expenditures are generally dependent on our customers’ views of future oil and natural gas prices and are sensitive to our customers’ views of future economic growth and the resulting impact on demand for oil and natural gas. Declines, as well as anticipated declines, in oil and gas prices could result in project modifications, delays or cancellations, general business disruptions, and delays in payment of, or nonpayment of, amounts that are owed to us. These effects could have a material adverse effect on our financial condition, results of operations and cash flows.

Historically, oil and natural gas prices have experienced significant volatility and can be affected by a variety of factors, including:

- demand for hydrocarbons, which is affected by general economic and business conditions;
- the ability or willingness of the Organization of Petroleum Exporting Countries (“OPEC”) to set and maintain production levels for oil;
- oil and gas production levels by non-OPEC countries;
- the level of excess production capacity;
- political and economic uncertainty and geopolitical unrest;
- the level of worldwide oil and gas exploration and production activity;

- access to potential resources;
- governmental policies and subsidies;
- the costs of exploring for, producing and delivering oil and gas;
- technological advances affecting energy consumption; and
- weather conditions.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for our products and services as well as and downward pressure on the prices we charge. Sustained market uncertainty can also result in lower demand and pricing for our products and services. A significant downturn or sustained market uncertainty could result in a reduction in demand for oilfield services and could adversely affect our financial condition, results of operations and cash flows.

A significant portion of our revenue is derived from our non-United States operations, which exposes us to risks inherent in doing business in each of the over 85 countries in which we operate.

Our non-United States operations accounted for approximately 69% of our consolidated revenue in 2018, 74% in 2017 and 80% in 2016. Operations in countries other than the United States are subject to various risks, including:

- volatility in political, social and economic conditions;
- exposure to expropriation of our assets or other governmental actions;
- social unrest, acts of terrorism, war or other armed conflict;
- confiscatory taxation or other adverse tax policies;
- deprivation of contract rights;
- trade and economic sanctions or other restrictions imposed by the European Union, the United States or other countries;
- exposure under the United States Foreign Corrupt Practices Act (“FCPA”) or similar legislation;
- restrictions on the repatriation of income or capital;
- currency exchange controls;
- inflation; and
- currency exchange rate fluctuations and devaluations.

Our failure to comply with complex US and foreign laws and regulations could have a material adverse effect on our operations.

We are subject to complex US and foreign laws and regulations, such as the FCPA, the U.K. Bribery Act and various other anti-bribery and anti-corruption laws. We are also subject to trade control regulations and trade sanctions laws that restrict the movement of certain goods to, and certain operations in, various countries or with certain persons. Our ability to transfer people, products and data among certain countries is subject to maintaining required licenses and complying with these laws and regulations. The internal controls, policies and procedures, and employee training and compliance programs we have implemented to deter prohibited practices may not be effective in preventing employees, contractors or agents from violating or circumventing such internal policies or violating applicable laws and regulations. Any determination that we have violated or are responsible for violations of anti-bribery, trade control, trade sanctions or anti-corruption laws could have a material adverse effect on our financial condition. Violations of international and US laws and regulations or the loss of any required licenses may result in fines and penalties, criminal sanctions, administrative remedies or restrictions on business conduct, and could have a material adverse effect on our reputation and our business, operating results and financial condition.

Demand for our products and services could be reduced by existing and future legislation or regulations.

Environmental advocacy groups and regulatory agencies in the United States and other countries have been focusing considerable attention on the emissions of carbon dioxide, methane and other greenhouse gasses and their potential role in climate change. Existing or future legislation and regulations related to greenhouse gas emissions and climate change, as well as government initiatives to conserve energy or promote the use of alternative energy sources, may significantly curtail demand for and production of fossil fuels such as oil and gas in areas of the world where our customers operate, and thus adversely affect future demand for our products and services. This may, in turn, adversely affect our financial condition, results of operations and cash flows.

Some international, national, state and local governments and agencies have also adopted laws and regulations or are evaluating proposed legislation and regulations that are focused on the extraction of shale gas or oil using hydraulic fracturing. Hydraulic fracturing is a stimulation treatment routinely performed on oil and gas wells in low-permeability reservoirs. Specially engineered

fluids are pumped at high pressure and rate into the reservoir interval to be treated, causing cracks in the target formation. Proppant, such as sand of a particular size, is mixed with the treatment fluid to keep the cracks open when the treatment is complete. Future hydraulic fracturing-related legislation or regulations could limit or ban hydraulic fracturing, or lead to operational delays and increased costs, and therefore reduce demand for our pressure pumping services. If such additional international, national, state or local legislation or regulations are enacted, it could adversely affect our financial condition, results of operations and cash flows.

Environmental compliance costs and liabilities could reduce our earnings and cash available for operations.

We are subject to increasingly stringent laws and regulations relating to importation and use of hazardous materials, radioactive materials, chemicals and explosives and to environmental protection, including laws and regulations governing air emissions, hydraulic fracturing, water discharges and waste management. We incur, and expect to continue to incur, capital and operating costs to comply with environmental laws and regulations. The technical requirements of these laws and regulations are becoming increasingly complex, stringent and expensive to implement. These laws may provide for “strict liability” for remediation costs, damages to natural resources or threats to public health and safety. Strict liability can render a party liable for damages without regard to negligence or fault on the part of the party. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances.

We use and generate hazardous substances and wastes in our operations. In addition, many of our current and former properties are, or have been, used for industrial purposes. Accordingly, we could become subject to material liabilities relating to the investigation and cleanup of potentially contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require us to incur costs or become the basis for new or increased liabilities that could reduce our earnings and our cash available for operations.

We could be subject to substantial liability claims, including catastrophic well incidents, which could adversely affect our financial condition, results of operations and cash flows.

The technical complexities of our operations expose us to a wide range of significant health, safety and environmental risks. Our offerings involve production-related activities, radioactive materials, chemicals, explosives and other equipment and services that are deployed in challenging exploration, development and production environments. An accident involving these services or equipment, or a failure of a product, could cause personal injury, loss of life, damage to or destruction of property, equipment or the environment, or suspension of operations. Catastrophic well incidents, including blow outs at a well site, may expose us to additional liabilities. Generally, we rely on contractual indemnities, releases, limitations on liability with our customers and insurance to protect us from potential liability related to such events. However, our insurance may not protect us against liability for certain kinds of events, including events involving pollution, or against losses resulting from business interruption. Moreover, we may not be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate. Any damages caused by our services or products that are not covered by insurance, or are in excess of policy limits or subject to substantial deductibles, could adversely affect our financial condition, results of operations and cash flows.

If we are unable to maintain technology leadership, this could adversely affect any competitive advantage we hold.

The oilfield service industry is highly competitive. Our ability to continually provide competitive technology and services can impact our ability to defend, maintain or increase prices for our products and services, maintain market share, and negotiate acceptable contract terms with our customers. If we are unable to continue to develop and produce competitive technology or deliver it to our clients in a timely and cost-competitive manner in the various markets we serve, it could adversely affect our financial condition, results of operations and cash flows.

Limitations on our ability to protect our intellectual property rights, including our trade secrets, could cause a loss in revenue and any competitive advantage we hold.

Some of our products or services, and the processes we use to produce or provide them, have been granted patent protection, have patent applications pending, or are trade secrets. Our business may be adversely affected if our patents are unenforceable, the claims allowed under our patents are not sufficient to protect our technology, our patent applications are denied or our trade secrets are not adequately protected. Our competitors may be able to develop technology independently that is similar to ours without infringing on our patents or gaining access to our trade secrets, which could adversely affect our financial condition, results of operations and cash flows.

We may be subject to litigation if another party claims that we have infringed upon its intellectual property rights.

The tools, techniques, methodologies, programs and components we use to provide our services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs, and may distract management from running our business. Royalty payments under licenses from third parties, if available, would increase our costs. Additionally, developing non-infringing technologies would increase our costs. If a license were not available, we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations and cash flows.

Failure to obtain and retain skilled technical personnel could impede our operations.

We require highly skilled personnel to operate and provide technical services and support for our business. Competition for the personnel required for our businesses intensifies as activity increases. In periods of high utilization it may become more difficult to find and retain qualified individuals. This could increase our costs or have other adverse effects on our operations.

Severe weather may adversely affect our operations.

Our business may be materially affected by severe weather in areas where we operate. This may entail the evacuation of personnel and stoppage of services. In addition, if particularly severe weather affects platforms or structures, this may result in a suspension of activities. Any of these events could adversely affect our financial condition, results of operations and cash flows.

Cyberattacks could have a material adverse impact on our business and results of operation.

We rely heavily on information systems to conduct our business, including systems operated by or under the control of third parties. Although we devote significant resources to protect our systems and proprietary data, we have experienced and will continue to experience varying degrees of cyber incidents in the normal conduct of our business. There can be no assurance that the systems we have designed to prevent or limit the effects of cyber incidents or attacks will be sufficient to prevent or detect such incidents or attacks, or to avoid a material adverse impact on our systems when such incidents or attacks do occur. If our systems, or the systems of third parties for protecting against cybersecurity risks are circumvented or breached, or we are subject to ransomware or other attacks, this could result in disruptions to our business operations; unauthorized access to (or the loss of Company access to) competitively sensitive, confidential or other critical data or systems; loss of customers; financial losses; regulatory fines; misuse or corruption of critical data and proprietary information.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Schlumberger owns or leases numerous manufacturing facilities, administrative offices, service centers, research centers, data processing centers, mines, ore, drilling fluid and production chemical processing centers, sales offices and warehouses throughout the world. Schlumberger views its principal manufacturing, mining and processing facilities, research centers and data processing centers as its "principal owned or leased facilities."

The following sets forth Schlumberger's principal owned or leased facilities:

Taubate, Brazil; Beijing and Shanghai, China; Clamart, France; Pune, India; Johor, Malaysia; Veracruz, Mexico; Stavanger, Norway; Singapore; Campina, Romania; Abingdon, Cambridge and Stonehouse, United Kingdom and within the United States: Little Rock, Arkansas; Ville Platte, Louisiana; Boston, Massachusetts; Houston, Katy, Rosharon and Sugar Land, Texas.

Item 3. Legal Proceedings.

The information with respect to this Item 3. Legal Proceedings is set forth in Note 16 of the *Consolidated Financial Statements*.

Item 4. Mine Safety Disclosures.

Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-K.

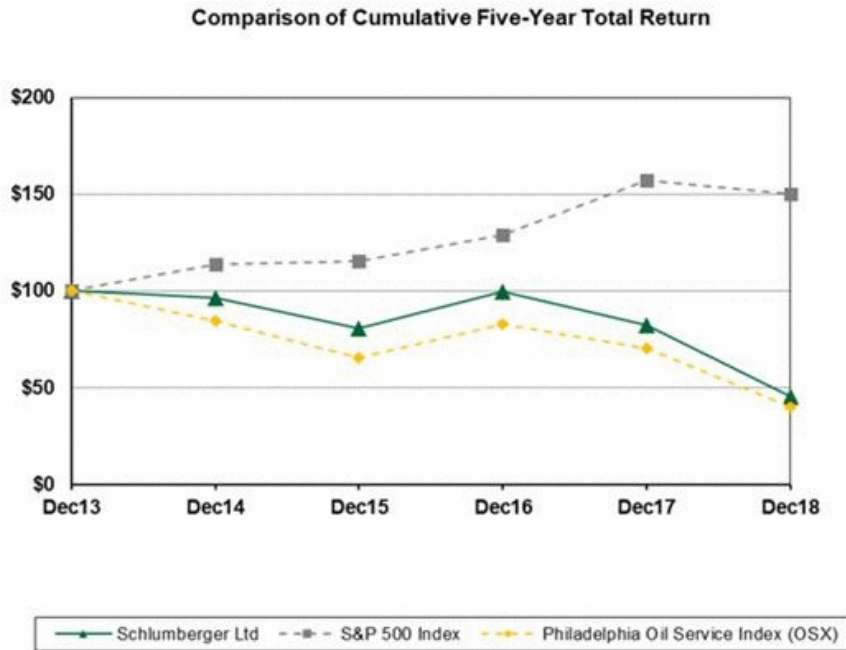
PART II

Item 5. Market for Schlumberger’s Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities.

As of December 31, 2018, there were 26,720 stockholders of record. The principal United States market for Schlumberger’s common stock is the New York Stock Exchange (“NYSE”), where it is traded under the symbol “SLB.”

The following graph compares the cumulative total stockholder return on Schlumberger common stock with the cumulative total return on the Standard & Poor’s 500 Index (“S&P 500 Index”) and the cumulative total return on the Philadelphia Oil Service Index. It assumes \$100 was invested on December 31, 2013 in Schlumberger common stock, in the S&P 500 Index and in the Philadelphia Oil Service Index, as well as the reinvestment of dividends on the last day of the month of payment. The stockholder return set forth below is not necessarily indicative of future performance. The following graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Schlumberger specifically incorporates it by reference into such filing.

Comparison of Five-Year Cumulative Total Return Among Schlumberger Common Stock, the S&P 500 Index and the Philadelphia Oil Service Index



Share Repurchases

On July 18, 2013, the Schlumberger Board of Directors (the “Board”) approved a \$10 billion share repurchase program for Schlumberger common stock, to be completed by June 30, 2018. This program was completed during May 2017. On January 21, 2016, the Board approved a new \$10 billion share repurchase program for Schlumberger common stock.

Schlumberger's common stock repurchase program activity for the three months ended December 31, 2018 was as follows:

(Stated in thousands, except per share amounts)

	Total Number of Shares Purchased	Average price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Value of Shares that may yet be Purchased Under the Program
October 2018	586.0	\$ 59.05	586.0	\$ 9,342,049
November 2018	682.4	\$ 49.22	682.4	\$ 9,308,458
December 2018	797.6	\$ 39.97	797.6	\$ 9,276,578
	<u>2,066.0</u>	<u>\$ 48.44</u>	<u>2,066.0</u>	

Unregistered Sales of Equity Securities

None.

Item 6. Selected Financial Data.

The following selected consolidated financial data should be read in conjunction with both "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data" of this Form 10-K in order to understand factors, such as business combinations and charges and credits, which may affect the comparability of the Selected Financial Data.

(Stated in millions, except per share amounts)

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Revenue	\$ 32,815	\$ 30,440	\$ 27,810	\$ 35,475	\$ 48,580
Income (loss) from continuing operations	\$ 2,138	\$ (1,505)	\$ (1,687)	\$ 2,072	\$ 5,643
Diluted earnings (loss) per share from continuing operations	\$ 1.53	\$ (1.08)	\$ (1.24)	\$ 1.63	\$ 4.31
Cash	\$ 1,433	\$ 1,799	\$ 2,929	\$ 2,793	\$ 3,130
Short-term investments	\$ 1,344	\$ 3,290	\$ 6,328	\$ 10,241	\$ 4,371
Working capital	\$ 2,245	\$ 3,215	\$ 8,868	\$ 12,791	\$ 10,518
Fixed income investments, held to maturity	\$ -	\$ -	\$ 238	\$ 418	\$ 442
Total assets	\$ 70,507	\$ 71,987	\$ 77,956	\$ 68,005	\$ 66,904
Long-term debt	\$ 14,644	\$ 14,875	\$ 16,463	\$ 14,442	\$ 10,565
Total debt	\$ 16,051	\$ 18,199	\$ 19,616	\$ 18,999	\$ 13,330
Schlumberger stockholders' equity	\$ 36,162	\$ 36,842	\$ 41,078	\$ 35,633	\$ 37,850
Cash dividends declared per share	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 1.60

During 2018, Schlumberger adopted ASU No. 2016-02, *Leases*. Prior year amounts reflected in the table above have not been adjusted and continue to be reflected in accordance with Schlumberger's historical accounting. Refer to Note 15 to the *Consolidated Financial Statements* for further details.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis contains forward-looking statements, including, without limitation, statements relating to our plans, strategies, objectives, expectations, intentions and resources. Such forward-looking statements should be read in conjunction with our disclosures under "Item 1A. Risk Factors" of this Form 10-K.

2018 Executive Overview

Schlumberger full-year 2018 revenue of \$32.8 billion increased 8% over 2017. This revenue growth was driven almost entirely by increased activity in North America against a backdrop of increasing oil prices throughout most of the year.

In the oil markets, sentiment was stable and positive for the first three quarters of 2018, providing a rising oil price environment. OECD crude and product stocks continued a downward trend that began in the third quarter of 2016. Production cuts from OPEC and Russia in 2017 served to strengthen the oil price. Activity picked up globally and, as oil reached its peak price for the year in October, production from major producers, including unconventional US production, began to surprise to the upside. Output in Libya rebounded sharply; Saudi Arabia and the United Arab Emirates each recorded record production output; and dispensations from the Iran export sanctions generated aggregate production that more than offset declines elsewhere.

As a result, the market became oversupplied at the beginning of the fourth quarter despite the anticipated slowdown in the Permian Basin production growth due to capacity takeaway constraints. This, coupled with concerns about global oil demand, caused oil prices to plummet by more than 40% during the fourth quarter of 2018 and led to a sudden and sharp decrease in US land well completion activity during the final months of the year.

In the natural gas markets, consumption of liquified natural gas ("LNG") continued to rise enabled by vast sources of new supply. The US became a LNG exporter in 2016, when the first shipment left Sabine Pass in Louisiana. US export capacity grew to 37 million tonnes in 2018 and is set to nearly double in 2019. Underground gas storage in the US was below average through most of 2018, however, rising gas production from unconventional oil and gas wells in the US Northeast, Midcontinent and the Permian Basin helped to keep Henry Hub prices well below international prices. This will allow the US to join Australia and the Middle East as significant exporters.

Schlumberger financial performance in 2018 was driven largely by North America, where revenue of \$12.0 billion grew 26% year-over-year, despite the steep fall-off in activity during the fourth quarter of the year. This growth was driven by increased land activity that primarily benefited Schlumberger's OneStim business, where revenue grew 41%.

Full-year 2018 international revenue of \$20.4 billion was essentially flat compared with 2017. During the third quarter of 2018, international revenue grew faster than North America revenue for the first time since 2014, marking the beginning of a positive activity trend after three consecutive years of declining revenue. This was driven by the increased activity of national oil companies ("NOCs"), as they began to invest in longer-term resource development following a sustained period of deep underinvestment and declining production.

The dramatic fall in oil prices in the fourth quarter was largely driven by higher-than-expected US shale production as a result of the surge in activity earlier in the year, and as geopolitics negatively impacted the global demand- and supply-balance sentiments. The combination of these two factors, together with a large sell-off in the equity markets due to concerns around global growth and increasing US interest rates, created a near-perfect storm to close out 2018.

Looking ahead to 2019, Schlumberger expects a more positive supply- and demand-balance sentiment to lead to a gradual recovery in the price of oil over the course of the year, as the OPEC and Russia production cuts take full effect; the effect of lower activity in North America land in the second half of 2018 impacts production growth; the dispensations from the Iran export sanctions expire and are not renewed; and as the US and China continue to work toward a solution to their ongoing trade dispute.

In the meantime, the recent oil price volatility has introduced more uncertainty around the global exploration and production ("E&P") spending outlook for 2019, with customers generally taking a more conservative approach at the start of the year. However, based on recent discussions with customers, Schlumberger is seeing clear signs that E&P investments are starting to normalize and reflect a more sustainable financial stewardship of the global resource base. For the North America land E&P operators, this means that future investments will likely be much closer to the level that can be covered by free cash flow. Conversely, in the international markets apart from the Middle East and Russia, after four years of underinvestment and a focus on maximizing cash flow, the NOCs and independents are starting to see the need to invest in their resource base simply to maintain production at current levels.

This means that even with the current oil price levels, Schlumberger expects solid, single-digit growth in the international markets, while in North America land the increased cost of capital and focus on aligning investments closer to free cash flow has introduced more uncertainty to the outlook for both drilling and production activity.

Fourth Quarter 2018 Results

(Stated in millions)

	Fourth Quarter 2018		Third Quarter 2018	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Reservoir Characterization	\$ 1,651	\$ 364	\$ 1,676	\$ 372
Drilling	2,461	318	2,429	339
Production	2,936	198	3,249	320
Cameron	1,265	127	1,298	148
Eliminations & other	(133)	(40)	(148)	(27)
Pretax operating income		967		1,152
Corporate & other (1)		(238)		(234)
Interest income (2)		8		8
Interest expense (3)		(132)		(139)
Charges & credits (4)		43		-
	<u>\$ 8,180</u>	<u>\$ 648</u>	<u>\$ 8,504</u>	<u>\$ 787</u>

- (1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.
- (2) Excludes interest income included in the segments' income (fourth quarter 2018: \$2 million; third quarter 2018: \$2 million).
- (3) Excludes interest expense included in the segments' income (fourth quarter 2018: \$9 million; third quarter 2018: \$8 million).
- (4) Charges and credits are described in detail in Note 3 to the *Consolidated Financial Statements*.

Fourth-quarter revenue of \$8.2 billion declined 4% sequentially driven by lower activity and pricing for most Production- and Cameron-related businesses in North America land. Lower revenue from OneSubsea also contributed to the decline. International activity remained resilient despite the oil price drop, with revenue increasing 1% sequentially. The seasonal slowdown in Russia was offset by increased revenue in the Middle East, Asia and Africa. Revenue from Europe and Latin America was flat compared with the previous quarter. Sequential performance was heavily impacted by Production- and Cameron-related activity declines in North America land, as seen by the 12% sequential decrease of revenue in North America. OneStim revenue dropped 25% sequentially as a number of fleets were warm-stacked during the latter part of the quarter, and as Schlumberger focused on securing dedicated contracts for the first half of 2019 early in the fourth-quarter tendering cycle.

Reservoir Characterization

Fourth-quarter revenue of \$1.7 billion decreased 1% sequentially driven by the seasonal decline in Wireline activity in Russia, lower Wireline exploration activity offshore North America, and reduced OneSurface activity in the Middle East. These effects were partially offset by year-end sales of SIS software.

Reservoir Characterization pretax operating margin of 22% was essentially flat compared with the previous quarter as the effect of high-margin SIS software sales was offset by the seasonal decline in higher-margin Wireline revenue.

Drilling

Fourth-quarter revenue of \$2.5 billion increased 1% sequentially driven primarily by international growth in Drilling & Measurements and M-I SWACO, while Drilling revenue remained resilient in North America land.

Drilling pretax operating margin of 13% decreased 105 basis points ("bps") sequentially due to a seasonal activity decline in Russia and the increased cost of mobilizing additional resources as IDS project activity scaled up across international operations.

Production

Fourth-quarter revenue of \$2.9 billion declined 10% sequentially. OneStim revenue in North America land dropped 25%, accounting for the vast majority of the Production revenue decrease, as a number of fleets were warm-stacked during the latter part of the quarter due to market oversupply conditions.

Production pretax operating margin of 7% decreased 310 bps sequentially due to reduced pricing and activity in the OneStim business in North America land.

Cameron

Cameron revenue of \$1.3 billion declined 3% sequentially as increased international sales in Surface Systems were more than offset by lower revenue from the OneSubsea and Valves & Measurement product lines. OneSubsea booked more than \$600 million in new project orders during the fourth quarter of 2018, indicating that it is now close to the cycle trough of backlog-driven activity.

Cameron pretax operating margin of 10% declined 140 bps sequentially due to lower OneSubsea margins.

Full-Year 2018 Results

(Stated in millions)

	2018		2017	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Reservoir Characterization	\$ 6,526	\$ 1,392	\$ 6,795	\$ 1,244
Drilling	9,250	1,239	8,392	1,151
Production	12,394	1,052	10,630	936
Cameron	5,167	608	5,205	733
Eliminations & other	(522)	(104)	(582)	(143)
Pretax operating income		4,187		3,921
Corporate & other (1)		(937)		(934)
Interest income (2)		52		107
Interest expense (3)		(537)		(513)
Charges & credits (4)		(141)		(3,764)
	<u>\$ 32,815</u>	<u>\$ 2,624</u>	<u>\$ 30,440</u>	<u>\$ (1,183)</u>

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items. Full-year 2018 and 2017 results each include \$252 million of amortization expense associated with intangible assets recorded as a result of the acquisition of Cameron, which was completed on April 1, 2016.

(2) Excludes interest income included in the segments' income (2018: \$8 million; 2017: \$21 million).

(3) Excludes interest expense included in the segments' income (2018: \$38 million; 2017: \$52 million).

(4) Charges and credits are described in detail in Note 3 to the *Consolidated Financial Statements*.

Full-year 2018 revenue of \$32.8 billion increased 8% year-on-year and grew for the second successive year. Performance was driven by North America where revenue of \$12.0 billion increased 26% due to the OneStim business, which grew by 41%. Full-year international revenue of \$20.4 billion was essentially flat compared with 2017.

Full-year 2018 pretax operating income of \$4.2 billion grew 7% year-on-year. Pretax operating margin of 13% was essentially flat with the previous year, as the impact of higher revenue was offset by reactivation and mobilization costs associated with the ramp-up and strategic positioning for increased activity in both North America and internationally.

Reservoir Characterization

Full-year 2018 revenue of \$6.5 billion decreased 4% year-on-year primarily due to reduced OneSurface revenue following the end of the first phase of an integrated production system project in the Middle East and reduced WesternGeco activity as marine seismic acquisition contracts wound down during 2018 following the fourth quarter 2017 decision to cease all future marine seismic acquisition activities after satisfying Schlumberger's remaining commitments.

Year-on-year, pretax operating margin increased 303 bps to 21% primarily as a result of reduced depreciation and amortization following the WesternGeco impairment charges recorded in the fourth quarter of 2017.

Drilling

Full-year 2018 revenue of \$9.3 billion increased 10% year-on-year primarily due to higher demand for directional drilling technologies on land in North America and the start of new integrated drilling projects internationally. This benefited Drilling & Measurements, Bits & Drilling tools, M-I SWACO and Integrated Drilling Services.

Year-on-year, pretax operating margin declined 32 bps to 13%.

Production

Full-year 2018 revenue of \$12.4 billion increased 17% year-on-year with most of the revenue increase attributable to the accelerated land activity growth in North America that benefited the OneStim pressure pumping businesses in North America land for the first three quarters of 2018. Growth was driven by the deployment of additional hydraulic fracturing capacity, market share gains, operational efficiency improvements and improved pricing.

Year-on-year, pretax operating margin declined 32 bps to 8%.

Cameron

Full-year 2018 revenue of \$5.2 billion decreased 1% year-on-year. A 15% revenue increase in the short-cycle business of Surface Systems, driven by higher North America land activity, was offset by a 12% decline in the long-cycle OneSubsea business.

Year-on-year, pretax operating margin of 12% declined 232 bps due primarily to the decline in high-margin OneSubsea project volumes.

Full-Year 2017 Results

(Stated in millions)

	2017		2016	
	Revenue	Income Before Taxes	Revenue	Income Before Taxes
Reservoir Characterization	\$ 6,795	\$ 1,244	\$ 6,660	\$ 1,244
Drilling	8,392	1,151	8,561	994
Production	10,630	936	8,792	512
Cameron	5,205	733	4,211	653
Eliminations & other	(582)	(143)	(414)	(130)
Pretax operating income		3,921		3,273
Corporate & other (1)		(934)		(925)
Interest income (2)		107		84
Interest expense (3)		(513)		(517)
Charges & credits (4)		(3,764)		(3,820)
	<u>\$ 30,440</u>	<u>\$ (1,183)</u>	<u>\$ 27,810</u>	<u>\$ (1,905)</u>

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items. Full-year 2017 and 2016 include \$252 million and \$189 million, respectively, of amortization expense associated with intangible assets recorded as a result of the acquisition of Cameron, which was completed on April 1, 2016.

(2) Excludes interest income included in the segments' income (2017: \$21 million; 2016: \$26 million).

(3) Excludes interest expense included in the segments' income (2017: \$52 million; 2016: \$53 million).

(4) Charges and credits are described in detail in Note 3 to the *Consolidated Financial Statements*.

Full-year 2017 revenue of \$30.4 billion increased 9% year-on-year. This included a full year of activity from the acquired Cameron businesses versus nine months of activity for the same period in 2016. Excluding the impact of Cameron, revenue increased 7% year-

on-year. The growth was primarily driven by North America, where the land rig count increased more than 80% versus the same period last year.

Full-year 2017 pretax operating margin was expanded 111 bps to 13%, as improved profitability in North America due to the land activity growth that benefited Production and Drilling was offset by margin declines in Reservoir Characterization and Cameron.

Reservoir Characterization

Full-year 2017 revenue of \$6.8 billion increased 2% year-on-year primarily due to higher WesternGeco and Wireline revenue on projects in the Middle East & Asia Area, North America land, Russia and Mexico.

Year-on-year, pretax operating margin was essentially flat at 18%.

Drilling

Full-year 2017 revenue of \$8.4 billion decreased 2% year-on-year primarily due to the rig count declines internationally and in offshore North America combined with pricing pressure. Revenue also declined as a result of Schlumberger's decision in April 2016 to reduce its activities in Venezuela to align operations with cash collections.

Year-on-year, pretax operating margin increased 210 bps to 14% primarily due to improved profitability in North America due to accelerated land activity and improved pricing. This improvement was partially offset by the negative impact of reduced activity in Venezuela.

Production

Full-year 2017 revenue of \$10.6 billion increased 21% year-on-year with most of the revenue increase attributable to the accelerated land activity growth in North America that benefited the pressure pumping business which grew 44%. Lower SPM production levels in Ecuador partially offset the revenue increase.

Year-on-year, pretax operating margin increased 298 bps to 9% as a result of improved profitability in North America due to the accelerated land activity and improved pricing. This was partially offset by reduced margins in SPM due to lower production in Ecuador.

Cameron

Cameron contributed full-year revenue of \$5.2 billion. Cameron revenue for 2016 included only nine months of revenue following the April 2016 closing of the acquisition. Revenue in 2017 was impacted by a declining project backlog, particularly for the long-cycle businesses of Drilling Systems and OneSubsea.

Year-on-year, pretax operating margin of 14% decreased 142 bps as a result of lower Drilling Systems project volumes.

Interest and Other Income

Interest & other income consisted of the following:

(Stated in millions)

	2018	2017	2016
Interest income	\$ 60	\$ 128	\$ 110
Earnings of equity method investments	89	96	90
	<u>\$ 149</u>	<u>\$ 224</u>	<u>\$ 200</u>

The decrease in interest income in 2018 compared to 2017 is primarily attributable to lower cash and short-term investment balances.

Interest Expense

Interest expense of \$575 million in 2018, \$566 million in 2017 and \$570 million in 2016 has been essentially flat.

Other

Research & engineering and General & administrative expenses, as a percentage of Revenue, were as follows:

	2018	2017	2016
Research & engineering	2.1%	2.6%	3.6%
General & administrative	1.4%	1.4%	1.4%

Research & engineering costs have decreased in terms of both absolute dollars and as a percentage of Revenue over the past two years as a result of cost control measures.

Income Taxes

The Schlumberger effective tax rate was 17% in 2018, (28)% in 2017, and 15% in 2016.

The Schlumberger effective tax rate has historically been sensitive to the geographic mix of earnings. When the percentage of pretax earnings generated outside of North America increases, the Schlumberger effective tax rate generally decreases. Conversely, when the percentage of pretax earnings generated outside of North America decreases, the Schlumberger effective tax rate generally increases.

As discussed in further detail in Note 3 to the *Consolidated Financial Statements*, on December 22, 2017 the US enacted the Tax Cuts and Jobs Act (the "Act"). The Act, which is also commonly referred to as "US tax reform," significantly changed US corporate income tax laws by, among other things, reducing the US corporate income tax rate from 35% to 21% starting in 2018 and creating a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of US subsidiaries.

The effective tax rate for each of 2017 and 2016 was significantly impacted by the charges and credits described in Note 3 to the *Consolidated Financial Statements* because they were only partially tax-effective. Excluding the impact of these charges and credits, the effective tax rate was 17% in 2018, 18% in 2017 and 16% in 2016. The decrease in the effective tax rate in 2018 as compared to 2017, excluding the impact of charges and credits, was primarily due to the impact of US tax reform. The increase in the effective tax rate in 2017 as compared to 2016, excluding the impact of charges and credits, was primarily attributable to a change in the geographic mix of earnings as the percentage of pretax earnings generated in North America increased compared to 2016.

Charges and Credits

Schlumberger recorded significant charges and credits during 2018, 2017 and 2016. These charges and credits, which are summarized below, are more fully described in Note 3 to the *Consolidated Financial Statements*.

The following is a summary of the 2018 charges and credits, of which the \$215 million gain on the sale of the marine seismic acquisition business is classified in *Gain on sale of business* in the *Consolidated Statement of Income (Loss)*, while the remaining \$356 million of other charges are classified in *Impairments & other*.

(Stated in millions)

	Pretax	Tax	Net
Gain on sale of marine seismic acquisition business	\$ (215)	\$ (19)	\$ (196)
Workforce reductions	184	20	164
Asset impairments	172	16	156
	<u>\$ 141</u>	<u>\$ 17</u>	<u>\$ 124</u>

The following is a summary of the 2017 charges and credits, of which \$3.211 billion were classified in *Impairments & other*, \$245 million were classified in *Cost of sales* and \$308 million were classified in *Merger & integration* in the *Consolidated Statement of Income (Loss)*:

(Stated in millions)

	Pretax	Tax	Noncontrolling Interests	Net
<i>Impairment & other</i>				
WesternGeco seismic restructuring charges	\$ 1,114	\$ 20	\$ -	\$ 1,094
Venezuela investment write-down	938	-	-	938
Promissory note fair value adjustment and other	510	-	12	498
Workforce reductions	247	13	-	234
Multiclient seismic data impairment	246	81	-	165
Other restructuring charges	156	10	22	124
<i>Cost of sales</i>				
Provision for loss on long-term construction project	245	22	-	223
<i>Merger & integration</i>				
Merger and integration-related costs	308	70	-	238
US tax reform charge	-	(76)	-	76
	<u>\$ 3,764</u>	<u>\$ 140</u>	<u>\$ 34</u>	<u>\$ 3,590</u>

The following is a summary of the 2016 charges and credits, of which \$3.172 billion were classified in *Impairments & other*, \$349 million were classified in *Merger & integration* and \$299 million were classified in *Cost of sales* in the *Consolidated Statement of Income (Loss)*:

(Stated in millions)

	Pretax	Tax	Net
<i>Impairment & other</i>			
Workforce reductions	\$ 880	\$ 69	\$ 811
Other fixed asset impairments	684	52	632
Inventory write-downs	616	49	567
North America pressure pumping asset impairments	209	67	142
Multiclient seismic data impairment	198	62	136
Facility impairments	165	58	107
Facility closure costs	165	40	125
Costs associated with exiting certain activities	98	23	75
Currency devaluation loss in Egypt	63	-	63
Contract termination costs	39	9	30
Other restructuring charges	55	-	55
<i>Merger & integration</i>			
Other merger and integration-related	160	28	132
Merger-related employee benefits	83	13	70
Facility closure costs	61	13	48
Professional fees	45	10	35
<i>Cost of sales</i>			
Amortization of inventory fair value adjustment	299	90	209
	<u>\$ 3,820</u>	<u>\$ 583</u>	<u>\$ 3,237</u>

Liquidity and Capital Resources

Schlumberger had total *Cash*, *Short-term investments* and *Fixed income investments, held to maturity* of \$2.8 billion, \$5.1 billion and \$9.5 billion at December 31, 2018, 2017 and 2016, respectively. Total debt was \$16.1 billion, \$18.2 billion and \$19.6 billion at December 31, 2018, 2017 and 2016, respectively.

Details of the components of liquidity as well as changes in liquidity follow:

(Stated in millions)

Components of Liquidity:	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Cash	\$ 1,433	\$ 1,799	\$ 2,929
Short-term investments	1,344	3,290	6,328
Fixed income investments, held to maturity	-	-	238
Short-term borrowings and current portion of long-term debt	(1,407)	(3,324)	(3,153)
Long-term debt	(14,644)	(14,875)	(16,463)
Net debt (1)	<u>\$ (13,274)</u>	<u>\$ (13,110)</u>	<u>\$ (10,121)</u>
Changes in Liquidity:	2018	2017	2016
Income (loss) from continuing operations before noncontrolling interests	\$ 2,177	\$ (1,513)	\$ (1,627)
Impairments and other charges	356	3,764	3,820
Gain on sale of WesternGeco marine seismic business	(215)	-	-
Depreciation and amortization (2)	3,556	3,837	4,094
Earnings of equity method investments, less dividends received	(48)	(56)	(60)
Pension and other postretirement benefits expense	30	104	187
Stock-based compensation expense	345	343	267
Pension and other postretirement benefits funding	(83)	(133)	(174)
Decrease (increase) in working capital (3)	(442)	(823)	416
US Federal tax refund	-	685	-
Other	37	(545)	(662)
Cash flow from operations	<u>5,713</u>	<u>5,663</u>	<u>6,261</u>
Capital expenditures	(2,160)	(2,107)	(2,055)
SPM investments	(981)	(1,609)	(1,031)
Multiclient seismic data capitalized	(100)	(276)	(630)
Free cash flow (4)	<u>2,472</u>	<u>1,671</u>	<u>2,545</u>
Dividends paid	(2,770)	(2,778)	(2,647)
Stock repurchase program	(400)	(969)	(778)
Proceeds from employee stock plans	261	297	415
	<u>(437)</u>	<u>(1,779)</u>	<u>(465)</u>
Proceeds from sale of WesternGeco marine seismic business, net of cash divested	579	-	-
Business acquisitions and investments, net of cash acquired plus debt assumed	(292)	(847)	(4,022)
Other	(14)	(363)	(87)
Increase in Net Debt	(164)	(2,989)	(4,574)
Net Debt, Beginning of period	(13,110)	(10,121)	(5,547)
Net Debt, End of period	<u>\$ (13,274)</u>	<u>\$ (13,110)</u>	<u>\$ (10,121)</u>

- (1) "Net Debt" represents gross debt less cash, short-term investments and fixed income investments, held to maturity. Management believes that Net Debt provides useful information regarding the level of Schlumberger's indebtedness by reflecting cash and investments that could be used to repay debt. Net Debt is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, total debt.
- (2) Includes depreciation of property, plant and equipment and amortization of intangible assets, multiclient seismic data costs and SPM investments.
- (3) Includes severance payments of approximately \$340 million during 2018, \$455 million during 2017 and \$850 million during 2016.
- (4) "Free cash flow" represents cash flow from operations less capital expenditures, SPM investments and multiclient seismic data costs capitalized. Management believes that free cash flow is an important liquidity measure for the company and that it is useful to investors and management as a measure of the ability of our business to generate cash. Once business needs and obligations are met, this cash can be used to reinvest in the company for future growth or to return to shareholders through dividend payments or share repurchases. Free cash flow does not represent the residual cash flow available for discretionary expenditures. Free cash flow is a non-GAAP financial measure that should be considered in addition to, not as substitute for or superior to, cash flow from operations.

Key liquidity events during 2018, 2017 and 2016 included:

- Cash flow from operations was \$5.7 billion in 2018, \$5.7 billion in 2017 and \$6.3 billion in 2016. Operating cash flows for 2018 were essentially flat compared to 2017 as the lower consumption of working capital was offset by decreased depreciation and amortization following the asset impairment charges recorded during the fourth quarter of 2017. The improvement in working capital in 2018 was largely driven by strong accounts receivable collections. The decrease in operating cash flows in 2017 as compared to 2016 was largely attributable to lower earnings before consideration of non-cash charges and credits and depreciation and amortization expense.
- On July 18, 2013, the Board approved a \$10 billion share repurchase program to be completed at the latest by June 30, 2018. This program was completed during May 2017. On January 21, 2016, the Board approved a new \$10 billion share repurchase program for Schlumberger common stock. Schlumberger had repurchased \$723 million of Schlumberger common stock under this program as of December 31, 2018.

The following table summarizes the activity under these share repurchase programs during 2018, 2017 and 2016:

(Stated in thousands, except per share amounts)

	Total Cost of Shares Purchased	Total Number of Shares Purchased	Average Price Paid per Share
2018	\$ 399,786	6,495.1	\$ 61.55
2017	\$ 968,676	13,249.7	\$ 73.11
2016	\$ 778,018	10,988.5	\$ 70.80

- Dividends paid during 2018, 2017 and 2016 were \$2.8 billion, \$2.8 billion and \$2.6 billion, respectively.
- Capital expenditures were \$2.2 billion in 2018, \$2.1 billion in 2017 and \$2.1 billion in 2016. Capital expenditures during 2019 are expected to range between \$1.5 billion and \$1.7 billion.
- During the fourth quarter of 2018, Schlumberger issued €600 million of 1.00% Guaranteed Notes due 2026.
- During the fourth quarter of 2018, Schlumberger completed the divestiture of its marine seismic acquisition business for net proceeds of \$579 million (after considering \$21 million of cash divested).
- During the fourth quarter of 2017, Schlumberger issued \$500 million of 2.20% Guaranteed Notes due 2020 and \$600 million of 2.65% Guaranteed Notes due 2022.
- During 2018, 2017 and 2016, Schlumberger made contributions of \$83 million, \$133 million and \$174 million, respectively, to its postretirement benefit plans. The US pension plans were 88% funded at both December 31, 2018 and December 31, 2017 based on their projected benefit obligations.

Schlumberger's international defined benefit pension plans were a combined 97% funded at both December 31, 2018 and December 31, 2017 based on their projected benefit obligations.

Schlumberger expects to contribute approximately \$25 million to its postretirement benefit plans in 2019, subject to market and business conditions.

- The increase in *SPM investments* in 2017 as compared to 2016 is primarily attributable to the purchase of a majority non-operating interest in the Palliser Block, located in Alberta, Canada, from Cenovus Energy.
- Schlumberger paid \$2.8 billion of cash in connection with its 2016 acquisition of Cameron. Additionally, as a result of the acquisition of Cameron, Schlumberger assumed \$3.0 billion of debt (including a \$244 million adjustment to increase Cameron's long-term fixed rate debt to its estimated fair value) and acquired \$2.2 billion of cash and short-term investments.
- During the second quarter of 2016, Schlumberger repurchased approximately \$1.4 billion of Cameron's long-term fixed-rate debt.
- In connection with Schlumberger's 2016 acquisition of Cameron, Cameron was merged with Schlumberger Holdings Corporation ("SHC"), an indirect wholly-owned United States subsidiary of Schlumberger. Under the terms of the agreement, Cameron shareholders received 0.716 shares of Schlumberger Limited common stock and a cash payment of \$14.44 in exchange for each Cameron share of common stock outstanding. In connection with this transaction, SHC acquired approximately 138 million shares of common stock from Schlumberger Limited and transferred those shares to Cameron's shareholders.

In order to partially fund the purchase of the 138 million shares of common stock from Schlumberger Limited that were transferred to Cameron stockholders, SHC issued \$6 billion of notes during the fourth quarter of 2015 consisting of the following:

- \$500 million of 1.90% Senior Notes due 2017;
- \$1.3 billion of 2.35% Senior Notes due 2018;
- \$1.6 billion of 3.00% Senior Notes due 2020;
- \$850 million of 3.63% Senior Notes due 2022; and
- \$1.75 billion of 4.00% Senior Notes due 2025.

As of December 31, 2018, Schlumberger had \$2.8 billion of cash and short-term investments on hand. Schlumberger also has separate committed credit facility agreements aggregating \$6.5 billion with commercial banks, of which \$4.1 billion was available and unused as of December 31, 2018. The \$6.5 billion of committed credit facility agreements support commercial paper programs. Schlumberger believes these amounts are sufficient to meet future business requirements for at least the next 12 months.

The total outstanding commercial paper borrowings were \$2.4 billion as of December 31, 2018 and \$3.0 billion as of December 31, 2017.

Summary of Contractual Obligations

(Stated in millions)

	Total	Payment Period			
		2019	2020-2021	2022-2023	After 2023
Debt (1)	\$ 16,051	\$ 1,408	\$ 5,186	\$ 6,558	\$ 2,899
Interest on fixed rate debt obligations (2)	1,951	398	659	370	524
Operating leases	1,985	568	732	293	392
Purchase obligations (3)	3,764	3,518	177	54	15
	<u>\$ 23,751</u>	<u>\$ 5,892</u>	<u>\$ 6,754</u>	<u>\$ 7,275</u>	<u>\$ 3,830</u>

(1) Excludes future payments for interest.

(2) Excludes interest on \$2.8 billion of variable rate debt, which had a weighted average interest rate of 3.5% as of December 31, 2018.

(3) Represents an estimate of contractual obligations in the ordinary course of business. Although these contractual obligations are considered enforceable and legally binding, the terms generally allow Schlumberger the option to reschedule and adjust its requirements based on business needs prior to the delivery of goods.

Refer to Note 18, *Pension and Other Benefit Plans*, of the *Consolidated Financial Statements* for details regarding Schlumberger's pension and other postretirement benefit obligations.

As discussed in Note 14, *Income Taxes*, of the *Consolidated Financial Statements*, included in the *Schlumberger Consolidated Balance Sheet* at December 31, 2018 is approximately \$1.4 billion of liabilities associated with uncertain tax positions in the over 100 jurisdictions in which Schlumberger conducts business. Due to the uncertain and complex application of tax regulations, combined with the difficulty in predicting when tax audits throughout the world may be concluded, Schlumberger cannot make reliable estimates of the timing of cash outflows relating to these liabilities.

Schlumberger has outstanding letters of credit/guarantees that relate to business performance bonds, custom/excise tax commitments, facility lease/rental obligations, etc. These were entered into in the ordinary course of business and are customary practices in the various countries where Schlumberger operates.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires Schlumberger to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenue and expenses. The following accounting policies involve “critical accounting estimates” because they are particularly dependent on estimates and assumptions made by Schlumberger about matters that are inherently uncertain.

Schlumberger bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Allowance for Doubtful Accounts

Schlumberger maintains an allowance for doubtful accounts in order to record accounts receivable at their net realizable value. Judgment is involved in recording and making adjustments to this reserve. Allowances have been recorded for receivables believed to be uncollectible, including amounts for the resolution of potential credit and other collection issues such as disputed invoices. Adjustments to the allowance may be required in future periods depending on how such potential issues are resolved, or if the financial condition of Schlumberger’s customers were to deteriorate resulting in an impairment of their ability to make payments.

As a large multinational company with a long history of operating in a cyclical industry, Schlumberger has extensive experience in working with its customers during difficult times to manage its accounts receivable. During weak economic environments or when there is an extended period of weakness in oil and gas prices, Schlumberger typically experiences delays in the payment of its receivables. However, except as described below, Schlumberger has not had material write-offs due to uncollectible accounts receivable over the recent industry downturn. Schlumberger operates in more than 85 countries. As of December 31, 2018, only three of those countries individually accounted for greater than 5% of Schlumberger’s net receivables balance, of which only one (the United States) accounted for greater than 10% of such receivables.

In April 2016, Schlumberger announced that it was reducing its activity in Venezuela to align operations with cash collections as a result of insufficient payments on outstanding receivables. Schlumberger also previously disclosed that its judgment regarding the collectibility of its receivables and promissory notes in Venezuela is sensitive to the political and economic conditions in the country and that, if conditions in Venezuela worsen, Schlumberger may be required to record adjustments to the carrying value of these assets. During the fourth quarter of 2017, conditions in Venezuela further deteriorated such that Schlumberger determined it was appropriate to write-off the remaining outstanding receivable balance of approximately \$469 million and record an impairment charge of \$105 million related to the aforementioned promissory notes.

Goodwill, Intangible Assets and Long-Lived Assets

Schlumberger records the excess of purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed as goodwill. The goodwill relating to each of Schlumberger’s reporting units is tested for impairment annually as well as when an event, or change in circumstances, indicates an impairment may have occurred.

Under generally accepted accounting principles, Schlumberger has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of one or more of its reporting units is greater than its carrying amount. If, after assessing the totality of events or circumstances, Schlumberger determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, there is no need to perform any further testing. However, if Schlumberger concludes otherwise, then it is required to perform a quantitative impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded based on that difference.

Schlumberger has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative goodwill impairment test.

Schlumberger elected to perform the qualitative assessment described above for purposes of its annual goodwill impairment test in 2018. Based on this assessment, Schlumberger concluded it was more likely than not that the fair value of each of its reporting units was greater than its carrying amount. Accordingly, no further testing was required.

Long-lived assets, including fixed assets, intangible assets and investments in SPM projects, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In reviewing for impairment, the carrying value of such assets is compared to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. If such cash flows are not sufficient to support the asset's recorded value, an impairment charge is recognized to reduce the carrying value of the long-lived asset to its estimated fair value. The determination of future cash flows as well as the estimated fair value of long-lived assets involves significant estimates on the part of management. If there is a material change in economic conditions or other circumstances influencing the estimate of future cash flows or fair value, Schlumberger could be required to recognize impairment charges in the future.

Income Taxes

Schlumberger conducts business in more than 100 tax jurisdictions, a number of which have tax laws that are not fully defined and are evolving. Schlumberger's tax filings are subject to regular audits by the tax authorities. These audits may result in assessments for additional taxes that are resolved with the authorities or, potentially, through the courts. Schlumberger recognizes the impact of a tax position in its financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position. Tax liabilities are recorded based on estimates of additional taxes that will be due upon the conclusion of these audits. Estimates of these tax liabilities are made based upon prior experience and are updated in light of changes in facts and circumstances. However, due to the uncertain and complex application of tax regulations, the ultimate resolution of audits may result in liabilities that could be materially different from these estimates. In such an event, Schlumberger will record additional tax expense or tax benefit in the period in which such resolution occurs.

Revenue Recognition for Certain Long-lived Construction-type Contracts

Schlumberger recognizes revenue for certain long-term construction-type contracts over time. These contracts involve significant design and engineering efforts in order to satisfy custom designs for customer-specific applications. Under this method, revenue is recognized as work progresses on each contract. Progress is measured by the ratio of actual costs incurred to date on the project in relation to total estimated project costs. Approximately 5% and 7% of Schlumberger's revenue in 2018 and 2017, respectively, was recognized under this method.

The estimate of total project costs has a significant impact on both the amount of revenue recognized as well as the related profit on a project. Revenue and profits on contracts can also be significantly affected by change orders and claims. Profits are recognized based on the estimated project profit multiplied by the percentage complete. Due to the nature of these projects, adjustments to estimates of contract revenue and total contract costs are often required as work progresses. Any expected losses on a project are recorded in full in the period in which they become probable.

Multiclient Seismic Data

Schlumberger capitalizes the costs associated with obtaining multiclient seismic data. The carrying value of the multiclient seismic data library at December 31, 2018 and 2017 was \$601 million and \$727 million, respectively. Such costs are charged to *Cost of services* based on the percentage of the total costs to the estimated total revenue that Schlumberger expects to receive from the sales of such data. However, under no circumstances will an individual survey carry a net book value greater than a 4-year, straight-line amortized value.

The carrying value of surveys is reviewed for impairment annually as well as when an event or change in circumstance indicates an impairment may have occurred. Adjustments to the carrying value are recorded when it is determined that estimated future revenues, which involve significant judgment on the part of Schlumberger, would not be sufficient to recover the carrying value of the surveys. Significant adverse changes in Schlumberger's estimated future cash flows could result in impairment charges in a future period. For purposes of performing the annual impairment test of the multiclient library, surveys are primarily analyzed for impairment on a survey-by-survey basis.

Pension and Postretirement Benefits

Schlumberger's pension and postretirement benefit obligations are described in detail in Note 18 to the *Consolidated Financial Statements*. The obligations and related costs are calculated using actuarial concepts, which include critical assumptions related to the discount rate, expected rate of return on plan assets and medical cost trend rates. These assumptions are important elements of expense and/or liability measurement and are updated on an annual basis, or upon the occurrence of significant events.

The discount rate that Schlumberger uses reflects the prevailing market rate of a portfolio of high-quality debt instruments with maturities matching the expected timing of payment of the related benefit obligations. The following summarizes the discount rates utilized by Schlumberger for its various pension and postretirement benefit plans:

- The discount rate utilized to determine the liability for Schlumberger's United States pension plans and postretirement medical plan was 4.30% at December 31, 2018 and 3.70% at December 31, 2017.

- The weighted-average discount rate utilized to determine the liability for Schlumberger's international pension plans was 4.00% at December 31, 2018 and 3.55% at December 31, 2017.
- The weighted-average discount rate utilized to determine expense for Schlumberger's United States pension plans and postretirement medical plan decreased from 4.20% in 2017 to 3.70% in 2018.
- The weighted-average discount rate utilized to determine expense for Schlumberger's international pension plans decreased from 4.13% in 2017 to 3.55% in 2018.

The expected rate of return for Schlumberger's retirement benefit plans represents the average rate of return expected to be earned on plan assets over the period that benefits included in the benefit obligation are expected to be paid. The expected rate of return for Schlumberger's United States pension plans has been determined based upon expected rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class. The weighted average expected rate of return on plan assets for the United States pension plans was 7.25% in both 2018 and 2017. The weighted average expected rate of return on plan assets for the international pension plans was 7.40% in both 2018 and 2017. A lower expected rate of return would increase pension expense.

Schlumberger's medical cost trend rate assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. The overall medical cost trend rate assumption utilized to determine the 2018 postretirement medical expense was 7.00%, graded to 5.0% over the next nine years. The overall medical trend rate assumption utilized to determine the postretirement medical liability at December 31, 2018 was 7.00%, graded to 5.0% over the next nine years.

The following illustrates the sensitivity to changes in certain assumptions, holding all other assumptions constant, for Schlumberger's United States and international pension plans:

(Stated in millions)

<u>Change in Assumption</u>	Effect on 2018 Pretax Expense	Effect on Dec. 31, 2018 Liability
25 basis point decrease in discount rate	+\$39	+\$509
25 basis point increase in discount rate	-\$36	-\$480
25 basis point decrease in expected return on plan assets	+\$29	-
25 basis point increase in expected return on plan assets	-\$28	-

The following illustrates the sensitivity to changes in certain assumptions, holding all other assumptions constant, for Schlumberger's United States postretirement medical plans:

(Stated in millions)

<u>Change in Assumption</u>	Effect on 2018 Pretax Expense	Effect on Dec. 31, 2018 Liability
25 basis point decrease in discount rate	+\$2	+\$38
25 basis point increase in discount rate	-	-\$36

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Schlumberger is subject to market risks primarily associated with changes in foreign currency exchange rates and interest rates.

As a multinational company, Schlumberger operates in more than 85 countries. Schlumberger's functional currency is primarily the US dollar. Approximately 80% of Schlumberger's revenue in 2018 was denominated in US dollars. However, outside the United States, a significant portion of Schlumberger's expenses is incurred in foreign currencies. Therefore, when the US dollar weakens in relation to the foreign currencies of the countries in which Schlumberger conducts business, the US dollar-reported expenses will increase.

Schlumberger maintains a foreign-currency risk management strategy that uses derivative instruments to manage the impact of changes in foreign exchange rates on its earnings. Schlumberger enters into foreign currency forward contracts to provide a hedge against currency fluctuations on certain monetary assets and liabilities, and certain expenses denominated in currencies other than the functional currency.

A 10% appreciation in the US dollar from the December 31, 2018 market rates would increase the unrealized value of Schlumberger's forward contracts by \$132 million. Conversely, a 10% depreciation in the US dollar from the December 31, 2018 market rates would decrease the unrealized value of Schlumberger's forward contracts by \$143 million. In either scenario, the gain or loss on the forward contract would be offset by the gain or loss on the underlying transaction, and therefore, would have no impact on future earnings.

At December 31, 2018, contracts were outstanding for the US dollar equivalent of \$5.0 billion in various foreign currencies, of which \$1.9 billion related to hedges of debt balances denominated in currencies other than the functional currency.

Schlumberger is subject to interest rate risk on its debt and its investment portfolio. Schlumberger maintains an interest rate risk management strategy that uses a mix of variable and fixed rate debt combined with its investment portfolio and occasionally interest rate swaps to mitigate the exposure to changes in interest rates. At December 31, 2018, Schlumberger had fixed rate debt aggregating approximately \$13.2 billion and variable rate debt aggregating approximately \$2.8 billion, before considering the effects of cross currency swaps.

Schlumberger's exposure to interest rate risk associated with its debt is also partially mitigated by its investment portfolio. *Short-term investments*, which totaled approximately \$1.3 billion at December 31, 2018, are comprised primarily of money market funds, time deposits, certificates of deposit, commercial paper, bonds and notes, substantially all of which are denominated in US dollars. The average return on investments was 2.3% in 2018.

The following table reflects the carrying amounts of Schlumberger's debt at December 31, 2018 by year of maturity:

(Stated in millions)

	2019	2020	2021	2022	2023	2024	2025	2026	Thereafter	Total
Fixed rate debt										
0.63% Guaranteed Notes	\$ 683									\$ 683
1.50% Guaranteed Notes	571									571
3.00% Senior Notes		\$ 1,596								1,596
2.20% Senior Notes		499								499
3.30% Senior Notes			\$ 1,596							1,596
4.20% Senior Notes			1,100							1,100
4.50% Notes			132							132
2.40% Senior Notes				\$ 997						997
3.63% Senior Notes				847						847
2.65% Senior Notes				598						598
3.60% Notes				109						109
3.65% Senior Notes					\$ 1,493					1,493
4.00% Notes					82					82
3.70% Notes						\$ 55				55
4.00% Senior Notes							\$ 1,742			1,742
1.00% Guaranteed Notes								\$ 678		678
7.00% Notes									\$ 210	210
5.95% Notes									115	115
5.13% Notes									99	99
Total fixed rate debt	\$ 1,254	\$ 2,095	\$ 2,828	\$ 2,551	\$ 1,575	\$ 55	\$ 1,742	\$ 678	\$ 424	\$ 13,202
Variable rate debt	153	9	255	1,870	562	-	-	-	-	2,849
Total	\$ 1,407	\$ 2,104	\$ 3,083	\$ 4,421	\$ 2,137	\$ 55	\$ 1,742	\$ 678	\$ 424	\$ 16,051

The fair market value of the outstanding fixed rate debt was approximately \$13.1 billion as of December 31, 2018. The weighted average interest rate on the variable rate debt as of December 31, 2018 was 3.5%.

Schlumberger does not enter into derivatives for speculative purposes.

Forward-looking Statements

This Form 10-K and other statements we make contain "forward-looking statements" within the meaning of the federal securities laws, which include any statements that are not historical facts, such as our forecasts or expectations regarding business outlook; growth for Schlumberger as a whole and for each of its segments (and for specified products or geographic areas within each segment); oil and natural gas demand and production growth; oil and natural gas prices; improvements in operating procedures and technology, including our transformation program; capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger's customers; the effects of U.S. tax reform; our effective tax rate; Schlumberger's SPM projects, joint ventures and alliances; future global economic conditions; and future results of operations. These statements are subject to risks and uncertainties, including, but not limited to, global economic conditions; changes in exploration and production spending by Schlumberger's customers and changes in the level of oil and natural gas exploration and development; general economic, political and business conditions in key regions of the world; foreign currency risk; pricing pressure; weather and seasonal factors; operational modifications, delays or cancellations; production declines; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; the inability of technology to meet new challenges in exploration; and other risks and uncertainties detailed in this Form 10-K and other filings that we make with the Securities and Exchange Commission. If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Item 8. Financial Statements and Supplementary Data.

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME (LOSS)

(Stated in millions, except per share amounts)

Year Ended December 31,	2018	2017	2016
<i>Revenue</i>			
Services	\$ 24,296	\$ 21,927	\$ 20,259
Product sales	8,519	8,513	7,551
Total Revenue	32,815	30,440	27,810
<i>Interest & other income</i>	149	224	200
<i>Gain on sale of business</i>	215	-	-
<i>Expenses</i>			
Cost of services	20,618	18,206	17,352
Cost of sales	7,860	8,337	7,057
Research & engineering	702	787	1,012
General & administrative	444	432	403
Impairments & other	356	3,211	3,172
Merger & integration	-	308	349
Interest	575	566	570
<i>Income (loss) before taxes</i>	2,624	(1,183)	(1,905)
Tax expense (benefit)	447	330	(278)
<i>Net income (loss)</i>	2,177	(1,513)	(1,627)
Net income (loss) attributable to noncontrolling interests	39	(8)	60
Net income (loss) attributable to Schlumberger	\$ 2,138	\$ (1,505)	\$ (1,687)
Basic earnings (loss) per share of Schlumberger	\$ 1.54	\$ (1.08)	\$ (1.24)
Diluted earnings (loss) per share of Schlumberger	\$ 1.53	\$ (1.08)	\$ (1.24)
Average shares outstanding:			
Basic	1,385	1,388	1,357
Assuming dilution	1,393	1,388	1,357

See the Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(Stated in millions)

Year Ended December 31,	2018	2017	2016
<i>Net income (loss)</i>	\$ 2,177	\$ (1,513)	\$ (1,627)
<i>Currency translation adjustments</i>			
Net change arising during the period	(191)	(3)	(83)
<i>Marketable securities</i>			
Unrealized gain (loss) arising during the period	(11)	(8)	21
<i>Cash flow hedges</i>			
Net gain (loss) on cash flow hedges	(16)	22	(101)
Reclassification to net income (loss) of net realized loss	1	-	121
<i>Pension and other postretirement benefit plans</i>			
Actuarial gain (loss) arising during the period	(186)	134	(289)
Amortization to net income (loss) of net actuarial loss	187	159	157
Amortization to net income (loss) of net prior service cost	(5)	80	102
Income taxes on pension and other postretirement benefit plans	(18)	(15)	(13)
<i>Comprehensive income (loss)</i>	1,938	(1,144)	(1,712)
Comprehensive income (loss) attributable to noncontrolling interests	39	(8)	60
<i>Comprehensive income (loss) attributable to Schlumberger</i>	\$ 1,899	\$ (1,136)	\$ (1,772)

See the Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(Stated in millions)

December 31,	2018	2017
ASSETS		
<i>Current Assets</i>		
Cash	\$ 1,433	\$ 1,799
Short-term investments	1,344	3,290
Receivables less allowance for doubtful accounts (2018 - \$249; 2017 - \$241)	7,881	8,084
Inventories	4,010	4,046
Other current assets	1,063	1,278
	<u>15,731</u>	<u>18,497</u>
<i>Investments in Affiliated Companies</i>	1,538	1,519
<i>Fixed Assets less accumulated depreciation</i>	11,679	11,576
<i>Multiclient Seismic Data</i>	601	727
<i>Goodwill</i>	24,931	25,118
<i>Intangible Assets</i>	8,727	9,354
<i>Other Assets</i>	7,300	5,196
	<u>\$ 70,507</u>	<u>\$ 71,987</u>
LIABILITIES AND EQUITY		
<i>Current Liabilities</i>		
Accounts payable and accrued liabilities	10,223	10,036
Estimated liability for taxes on income	1,155	1,223
Short-term borrowings and current portion of long-term debt	1,407	3,324
Dividends payable	701	699
	<u>13,486</u>	<u>15,282</u>
<i>Long-term Debt</i>	14,644	14,875
<i>Postretirement Benefits</i>	1,153	1,082
<i>Deferred Taxes</i>	1,441	1,650
<i>Other Liabilities</i>	3,197	1,837
	<u>33,921</u>	<u>34,726</u>
<i>Equity</i>		
Common stock	13,132	12,975
Treasury stock	(4,006)	(4,049)
Retained earnings	31,658	32,190
Accumulated other comprehensive loss	(4,622)	(4,274)
Schlumberger stockholders' equity	36,162	36,842
Noncontrolling interests	424	419
	<u>36,586</u>	<u>37,261</u>
	<u>\$ 70,507</u>	<u>\$ 71,987</u>

See the Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

(Stated in millions)

Year Ended December 31,	2018	2017	2016
Cash flows from operating activities:			
Net income (loss)	\$ 2,177	\$ (1,513)	\$ (1,627)
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Impairments and other charges	356	3,764	3,820
Gain on sale of WesternGeco marine seismic acquisition business	(215)	-	-
Depreciation and amortization (1)	3,556	3,837	4,094
Pension and other postretirement benefits expense	30	104	187
Stock-based compensation expense	345	343	267
Pension and other postretirement benefits funding	(83)	(133)	(174)
Earnings of equity method investments, less dividends received	(48)	(56)	(60)
Change in assets and liabilities: (2)			
Decrease (increase) in receivables	430	(124)	1,098
(Increase) decrease in inventories	(10)	108	800
Decrease (increase) in other current assets	121	(174)	308
(Increase) decrease in other assets	(58)	402	(488)
Decrease in accounts payable and accrued liabilities	(824)	(737)	(1,680)
(Decrease) increase in estimated liability for taxes on income	(159)	104	(110)
Increase (decrease) in other liabilities	69	(28)	77
Other	26	(234)	(251)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,713	5,663	6,261
Cash flows from investing activities:			
Capital expenditures	(2,160)	(2,107)	(2,055)
SPM investments	(981)	(1,609)	(1,031)
Multiclient seismic data capitalized	(100)	(276)	(630)
Business acquisitions and investments, net of cash acquired	(292)	(847)	(2,398)
Proceeds from sale of WesternGeco marine seismic business, net of cash divested	579	-	-
Sale of investments, net	1,943	3,277	5,544
Other	(29)	(217)	(54)
NET CASH USED IN INVESTING ACTIVITIES	(1,040)	(1,779)	(624)
Cash flows from financing activities:			
Dividends paid	(2,770)	(2,778)	(2,647)
Proceeds from employee stock purchase plan	227	212	231
Proceeds from exercise of stock options	34	85	184
Stock repurchase program	(400)	(969)	(778)
Proceeds from issuance of long-term debt	898	2,371	3,640
Repayment of long-term debt	(2,861)	(2,961)	(5,630)
Net decrease in short-term borrowings	(85)	(1,022)	(387)
Other	(63)	29	(41)
NET CASH USED IN FINANCING ACTIVITIES	(5,020)	(5,033)	(5,428)
Net (decrease) increase in cash before translation effect	(347)	(1,149)	209
Translation effect on cash	(19)	19	(73)
Cash, beginning of period	1,799	2,929	2,793
Cash, end of period	\$ 1,433	\$ 1,799	\$ 2,929

(1) Includes depreciation of property, plant and equipment and amortization of intangible assets, multiclient seismic data costs and SPM investments.

(2) Net of the effect of business acquisitions and divestitures.

See the Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(Stated in millions)

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Issued	In Treasury				
Balance, January 1, 2016	\$ 12,693	\$ (13,372)	\$ 40,870	\$ (4,558)	\$ 272	\$ 35,905
Net loss			(1,687)		60	(1,627)
Currency translation adjustments				(83)		(83)
Changes in unrealized gain on marketable securities				21		21
Changes in fair value of cash flow hedges				20		20
Pension and other postretirement benefit plans				(43)		(43)
Shares sold to optionees, less shares exchanged	(82)	266				184
Vesting of restricted stock	(122)	122				-
Shares issued under employee stock purchase plan	(55)	286				231
Stock repurchase program		(778)				(778)
Stock-based compensation expense	267					267
Dividends declared (\$2.00 per share)			(2,713)			(2,713)
Acquisition of Cameron International Corporation	103	9,924				10,027
Acquisition of noncontrolling interest					106	106
Other	(3)	2			13	12
Balance, December 31, 2016	12,801	(3,550)	36,470	(4,643)	451	41,529
Net loss			(1,505)		(8)	(1,513)
Currency translation adjustments				(3)		(3)
Changes in unrealized gain on marketable securities				(8)		(8)
Changes in fair value of cash flow hedges				22		22
Pension and other postretirement benefit plans				358		358
Shares sold to optionees, less shares exchanged	(10)	95				85
Vesting of restricted stock	(110)	110				-
Shares issued under employee stock purchase plan	(52)	264				212
Stock repurchase program		(969)				(969)
Stock-based compensation expense	343					343
Dividends declared (\$2.00 per share)			(2,775)			(2,775)
Other	3	1			(24)	(20)
Balance, December 31, 2017	12,975	(4,049)	32,190	(4,274)	419	37,261
Net income			2,138		39	2,177
Currency translation adjustments				(191)	(5)	(196)
Changes in unrealized gain on marketable securities				(11)		(11)
Changes in fair value of cash flow hedges				(15)		(15)
Pension and other postretirement benefit plans				(22)		(22)
Shares sold to optionees, less shares exchanged	(41)	75				34
Vesting of restricted stock	(72)	72				-
Shares issued under employee stock purchase plan	(67)	294				227
Stock repurchase program		(400)				(400)
Stock-based compensation expense	345					345
Dividends declared (\$2.00 per share)			(2,770)			(2,770)
Stranded tax related to US pension			109	(109)		-
Other	(8)	2	(9)		(29)	(44)
Balance, December 31, 2018	\$ 13,132	\$ (4,006)	\$ 31,658	\$ (4,622)	\$ 424	\$ 36,586

See the Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
SHARES OF COMMON STOCK

(Stated in millions)

	Issued	In Treasury	Shares Outstanding
Balance, January 1, 2016	1,434	(178)	1,256
Acquisition of Cameron International Corporation	-	138	138
Shares sold to optionees, less shares exchanged	-	3	3
Vesting of restricted stock	-	1	1
Shares issued under employee stock purchase plan	-	4	4
Stock repurchase program	-	(11)	(11)
Balance, December 31, 2016	1,434	(43)	1,391
Shares sold to optionees, less shares exchanged	-	1	1
Vesting of restricted stock	-	2	2
Shares issued under employee stock purchase plan	-	3	3
Stock repurchase program	-	(13)	(13)
Balance, December 31, 2017	1,434	(50)	1,384
Shares sold to optionees, less shares exchanged	-	1	1
Vesting of restricted stock	-	1	1
Shares issued under employee stock purchase plan	-	3	3
Stock repurchase program	-	(6)	(6)
Balance, December 31, 2018	<u>1,434</u>	<u>(51)</u>	<u>1,383</u>

See the Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

1. Business Description

Schlumberger Limited (Schlumberger N.V., incorporated in Curaçao) and its consolidated subsidiaries (collectively, “Schlumberger”) comprise the world’s leading supplier of technology for reservoir characterization, drilling, production and processing to the oil and gas industry.

2. Summary of Accounting Policies

The *Consolidated Financial Statements* of Schlumberger have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, Schlumberger evaluates its estimates, including those related to collectibility of accounts receivable; revenue recognized for certain long-term construction-type contracts over time; recoverability of fixed assets, goodwill, intangible assets, Schlumberger Production Management investments and investments in affiliates; income taxes; multiclient seismic data; contingencies and actuarial assumptions for employee benefit plans. Schlumberger bases its estimates on historical experience and other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*. This ASU amended the existing accounting standards for revenue recognition and requires companies to recognize revenue when control of the promised goods or services is transferred to a customer at an amount that reflects the consideration a company expects to receive in exchange for those goods or services. Schlumberger adopted this ASU on January 1, 2018 using the modified retrospective transition method applied to those contracts which were not completed as of January 1, 2018. Prior period amounts have not been adjusted and continue to be reflected in accordance with Schlumberger’s historical accounting. The adoption of this ASU did not have a material impact on Schlumberger’s *Consolidated Financial Statements*.

Schlumberger recognizes revenue upon the transfer of control of promised products or services to customers at an amount that reflects the consideration it expects to receive in exchange for these products or services. The vast majority of Schlumberger’s services and product offerings are short-term in nature. The time between invoicing and when payment is due under these arrangements is generally between 30 to 60 days.

Revenue is occasionally generated from contractual arrangements that include multiple performance obligations. Revenue from these arrangements is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are generally determined based on the prices charged to customers or using expected costs plus margin.

Revenue is recognized for certain long-term construction-type contracts over time. These contracts involve significant design and engineering efforts in order to satisfy custom designs for customer-specific applications. Revenue is recognized as work progresses on each contract. Progress is measured by the ratio of actual costs incurred to date on the project in relation to total estimated project costs. The estimate of total project costs has a significant impact on both the amount of revenue recognized as well as the related profit on a project. Revenue and profits on contracts can also be significantly affected by change orders and claims. Due to the nature of these projects, adjustments to estimates of contract revenue and total contract costs may be required as work progresses. Progress billings are generally issued upon completion of certain phases of work as stipulated in the contract. Any expected losses on a project are recorded in full in the period in which they become probable.

Due to the nature of its businesses, Schlumberger does not have significant backlog. Total backlog was \$2.7 billion at December 31, 2018, of which approximately 50% is expected to be recognized as revenue during 2019.

Short-term Investments

Short-term investments are comprised primarily of money market funds, time deposits, certificates of deposit, commercial paper, bonds and notes, substantially all of which are denominated in US dollars and are stated at cost plus accrued interest, which approximates fair value.

For purposes of the *Consolidated Statement of Cash Flows*, Schlumberger does not consider *Short-term investments* to be cash equivalents.

Investments in Affiliated Companies

Investments in companies in which Schlumberger does not have a controlling financial interest, but over which it has significant influence, are accounted for using the equity method. Schlumberger's share of the after-tax earnings of equity method investees is included in *Interest and other income*. Investments in privately held companies in which Schlumberger does not have the ability to exercise significant influence are accounted for using the cost method.

Equity and cost method investments are classified as *Investments in Affiliated Companies* in the *Consolidated Balance Sheet*.

Multiclient Seismic Data

Schlumberger's multiclient library consists of completed and in-process seismic surveys that are licensed on a nonexclusive basis. Schlumberger capitalizes costs directly incurred in acquiring and processing the multiclient seismic data. Such costs are charged to *Cost of services* based on the percentage of the total costs to the estimated total revenue that Schlumberger expects to receive from the sales of such data. However, under no circumstance will an individual survey carry a net book value greater than a 4-year, straight-line amortized value.

The carrying value of the multiclient library is reviewed for impairment annually as well as when an event or change in circumstance indicating impairment may have occurred. Adjustments to the carrying value are recorded when it is determined that estimated future cash flows, which involve significant judgment on the part of Schlumberger, would not be sufficient to recover the carrying value of the surveys. Significant adverse changes in Schlumberger's estimated future cash flows could result in impairment charges in a future period.

Schlumberger Production Management

Schlumberger Production Management ("SPM") projects are focused on developing and managing production on behalf of Schlumberger's clients under long-term agreements. Schlumberger will invest its own services and products, and in some cases cash, into the field development activities and operations. Although in certain arrangements Schlumberger is paid for a portion of the services or products it provides, generally Schlumberger will not be paid at the time of providing its services or upon delivery of its products. Instead, Schlumberger is compensated based upon cash flow generated or on a fee-per-barrel basis. This includes certain arrangements whereby Schlumberger is only compensated based upon incremental production it helps deliver above a mutually agreed baseline. Revenue from SPM arrangements, which is recognized as the related production is achieved, represented less than 5% of Schlumberger's consolidated revenue during each of 2018, 2017 and 2016.

Schlumberger capitalizes its cash investments in a project as well as the direct costs associated with providing services or products for which Schlumberger will be compensated when the related production is achieved. These capitalized investments are amortized to the *Consolidated Statement of Income (Loss)* as the related production is achieved based on the units of production method, whereby each unit produced is assigned a pro-rata portion of the unamortized costs based on estimated total production, resulting in a matching of revenue with the applicable costs. Amortization expense relating to these capitalized investments was \$568 million, \$465 million and \$449 million in 2018, 2017 and 2016, respectively.

The unamortized portion of Schlumberger's investments in SPM projects was \$4.201 billion and \$4.065 billion at December 31, 2018 and 2017, respectively. These amounts are included within *Other Assets* in Schlumberger's *Consolidated Balance Sheet*.

Concentration of Credit Risk

Schlumberger's assets that are exposed to concentrations of credit risk consist primarily of cash, short-term investments, receivables from clients and derivative financial instruments. Schlumberger places its cash and short-term investments with financial institutions and corporations and limits the amount of credit exposure with any one of them. Schlumberger regularly evaluates the creditworthiness of the issuers in which it invests. By using derivative financial instruments to hedge certain exposures, Schlumberger exposes itself to some credit risk. Schlumberger minimizes this credit risk by entering into transactions with high-quality counterparties, limiting the exposure to each counterparty and monitoring the financial condition of its counterparties.

Schlumberger operates in more than 85 countries and as such, its accounts receivable are spread over many countries and customers. Accounts receivable in the United States represented 22% of Schlumberger's accounts receivable balance at December 31, 2018. No other country accounted for greater than 10% of Schlumberger's accounts receivable balance.

Earnings per Share

The following is a reconciliation from basic to diluted earnings (loss) per share of Schlumberger for each of the last three years:

(Stated in millions, except per share amounts)

	Net Income (Loss) Attributable to Schlumberger	Average Shares Outstanding	Earnings (Loss) per Share
2018:			
Basic	\$ 2,138	1,385	<u>\$ 1.54</u>
Assumed exercise of stock options	-	-	
Unvested restricted stock	-	8	
Diluted	<u>\$ 2,138</u>	<u>1,393</u>	<u>\$ 1.53</u>
2017:			
Basic	\$ (1,505)	1,388	<u>\$ (1.08)</u>
Assumed exercise of stock options	-	-	
Unvested restricted stock	-	-	
Diluted	<u>\$ (1,505)</u>	<u>1,388</u>	<u>\$ (1.08)</u>
2016:			
Basic	\$ (1,687)	1,357	<u>\$ (1.24)</u>
Assumed exercise of stock options	-	-	
Unvested restricted stock	-	-	
Diluted	<u>\$ (1,687)</u>	<u>1,357</u>	<u>\$ (1.24)</u>

The number of outstanding employee stock options to purchase shares of Schlumberger common stock and unvested restricted stock units that were not included in the computation of diluted earnings/loss per share, because to do so would have had an anti-dilutive effect, were as follows:

(Stated in millions)

	2018	2017	2016
Employee stock options	40	47	47
Unvested restricted stock	-	5	5

3. Charges and Credits

Schlumberger recorded the following charges and credits during 2018, 2017 and 2016:

2018

- During the fourth quarter of 2018, Schlumberger completed the divestiture of its marine seismic acquisition business to Shearwater GeoServices (“Shearwater”) for \$600 million of cash and a 15% equity interest in Shearwater. As a result of this transaction, Schlumberger recognized a \$215 million gain. This gain is classified in *Gain on sale of business* in the *Consolidated Statement of Income (Loss)*.
- During the fourth quarter of 2018, Schlumberger recorded \$172 million of charges to fully impair certain long-lived assets. This amount is classified in *Impairments & other* in the *Consolidated Statement of Income (Loss)*.
- During the second quarter of 2018, Schlumberger recorded a \$184 million charge associated with workforce reductions, primarily to further streamline its support cost structure. This charge is classified in *Impairment & other* in the *Consolidated Statement of Income (Loss)*.

The following is a summary of these charges and credits.

(Stated in millions)

	Pretax	Tax	Net
Gain on sale of marine seismic acquisition business	\$ (215)	\$ (19)	\$ (196)
Workforce reductions	184	20	164
Asset impairments	172	16	156
	<u>\$ 141</u>	<u>\$ 17</u>	<u>\$ 124</u>

2017

- During the fourth quarter of 2017, Schlumberger decided to cease all future marine seismic acquisition activities, after satisfying its remaining contractual commitments. This decision resulted in a charge of \$1.025 billion consisting of the following: \$786 million write-down of the vessels to their estimated fair value; \$78 million impairment of intangible assets; \$59 million write-down of inventory, and \$102 million of other related restructuring costs. The fair value of the vessels was determined based on unobservable inputs that required significant judgments. Schlumberger also recorded a \$90 million impairment charge relating to its land seismic business.
- As a result of the unfavorable near-term outlook for exploration spending, Schlumberger determined in the fourth quarter of 2017 that the carrying value of certain multiclient seismic data, primarily related to the US Gulf of Mexico, was impaired, resulting in a \$246 million charge that was estimated based on the projected present value of future cash flows these surveys are expected to generate.
- During the fourth quarter of 2017, Schlumberger determined that it was appropriate to write-down its investment in Venezuela, given the recent economic and political developments in the country which have created significant uncertainties regarding recoverability. As a result, Schlumberger recorded a charge of \$938 million, reflecting \$469 million of accounts receivable, a \$105 million other-than-temporary impairment charge relating to certain promissory notes, \$285 million of fixed assets and \$79 million of other assets in the country.
- During the fourth quarter of 2017, Schlumberger recorded a \$245 million charge related to an estimated loss on a long-term surface facility construction project.
- Schlumberger recorded \$156 million of other restructuring charges during the fourth quarter of 2017, primarily relating to facility and other exit costs.
- During the fourth quarter of 2017, Schlumberger recorded a \$247 million charge associated with workforce reductions primarily to further streamline its support cost structure.
- On December 22, 2017, the US enacted the Tax Cuts and Jobs Act (the “Act”). The Act, which is also commonly referred to as “US tax reform,” significantly changes US corporate income tax laws by, among other things, reducing the US corporate income tax rate to 21% starting in 2018 and creating a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of US subsidiaries. As a result, Schlumberger recorded a net charge of \$76 million during the fourth quarter of 2017. This amount, which is included in *Tax expense (benefit)* in the *Consolidated Statement of Income (Loss)*, consists of two components: (i) a \$410 million charge relating to the one-time mandatory tax on previously deferred earnings of certain non-US subsidiaries that are owned either wholly or partially by a US subsidiary of Schlumberger, and (ii)

a \$334 million credit resulting from the remeasurement of Schlumberger's net deferred tax liabilities in the US based on the new lower corporate income tax rate. Although the \$76 million net charge represented what Schlumberger believed was a reasonable estimate of the impact of the income tax effects of the Act on Schlumberger's *Consolidated Financial Statements* as of December 31, 2017, it was considered provisional. During 2018, Schlumberger finalized its accounting for this matter and concluded that no material adjustments were required. After considering the impact of foreign tax credits and tax losses, the resulting cash tax payable as a result of the one-time mandatory tax on previously deferred foreign earnings of Schlumberger's US subsidiary will not be significant.

- During the second quarter of 2017, Schlumberger entered into a financing agreement with its primary customer in Venezuela. This agreement resulted in the exchange of \$700 million of outstanding accounts receivable for promissory notes with a three-year term that bear interest at the rate of 6.50% per annum. Schlumberger recorded these notes at their estimated fair value on the date of the exchange, which resulted in a charge of \$460 million. Following the \$105 million other-than-temporary impairment charge described above, the new cost basis of these promissory notes was \$135 million, which approximated their fair value at December 31, 2017. Schlumberger sold these promissory notes during the fourth quarter of 2018, which resulted in an immaterial loss.
- During the second quarter of 2017, Schlumberger entered into discussions with a customer relating to certain of its outstanding accounts receivable. As a result of these discussions, Schlumberger recorded a charge of \$50 million to adjust these receivables to their estimated net realizable value.
- Schlumberger recorded \$308 million of charges during 2017 relating to employee benefits, facility closures and other merger and integration-related costs, primarily in connection with Schlumberger's 2016 acquisition of Cameron International Corporation ("Cameron") (See Note 4 – *Acquisitions*).

The following is a summary of these charges and credits, of which \$3.211 billion were classified as *Impairments & other*, \$245 million were classified in *Cost of sales* and \$308 million were classified as *Merger & integration* in the *Consolidated Statement of Income (Loss)*.

(Stated in millions)

	Pretax	Tax	Noncontrolling Interests	Net
<i>Impairment & other</i>				
WesternGeco seismic restructuring charges	\$ 1,114	\$ 20	\$ -	\$ 1,094
Venezuela investment write-down	938	-	-	938
Promissory note fair value adjustment and other	510	-	12	498
Workforce reductions	247	13	-	234
Multiclient seismic data impairment	246	81	-	165
Other restructuring charges	156	10	22	124
<i>Cost of sales</i>				
Provision for loss on long-term construction project	245	22	-	223
<i>Merger & integration</i>				
Merger and integration-related costs	308	70	-	238
US tax reform charge	-	(76)	-	76
	<u>\$ 3,764</u>	<u>\$ 140</u>	<u>\$ 34</u>	<u>\$ 3,590</u>

2016

- Schlumberger reduced its workforce during the second quarter of 2016 as a result of persistent unfavorable oil and gas industry market conditions and the expected impact on customer activity levels. As a result, Schlumberger recorded a \$646 million charge during the second quarter of 2016. During the fourth quarter of 2016, Schlumberger further reduced its workforce in order to streamline its support cost structure and recorded an additional \$234 million charge associated with these actions.
- During the fourth quarter of 2016, Schlumberger recorded \$302 million of restructuring charges consisting of the following: \$165 million of facility closure costs due to the expected sale of certain owned properties and the termination of certain facility leases; \$98 million of asset write-offs associated with exiting certain activities; and \$39 million of contract termination costs.
- During the fourth quarter of 2016, the Central Bank of Egypt took the decision to float its currency and the Egyptian pound devalued relative to the US dollar. As a result, Schlumberger recorded a \$63 million devaluation charge during the fourth quarter of 2016.

- As a result of the unfavorable oil and gas industry market conditions that continued to deteriorate in the first half of 2016, and the related impact on 2016 first half operating results and expected customer activity levels, Schlumberger determined that the carrying values of certain assets were no longer recoverable and also took certain decisions that resulted in the following impairment and other charges during the second quarter of 2016:
 - \$209 million impairment of pressure pumping equipment in North America.
 - \$165 million impairment of facilities in North America.
 - \$684 million of other fixed asset impairments primarily relating to underutilized equipment.
 - \$616 million write-down of the carrying value of certain inventory to its net realizable value.
 - \$198 million impairment of certain multicient seismic data, largely related to the US Gulf of Mexico.
 - \$55 million of other restructuring costs.

The fair value of the impaired fixed assets and multicient seismic data was estimated based on the projected present value of future cash flows that these assets are expected to generate. Such estimates included unobservable inputs that required significant judgments.

- In connection with Schlumberger's acquisition of Cameron, Schlumberger recorded \$349 million of charges consisting of the following: \$83 million relating to employee benefits for change-in-control arrangements and retention bonuses; \$45 million of transaction costs, including advisory and legal fees; \$61 million of facility closure costs, and \$160 million of other merger and integration-related costs. Additionally, Schlumberger recorded \$299 million of charges relating to the amortization of purchase accounting adjustments associated with the write-up of acquired inventory to its estimated fair value.

The following is a summary of these charges and credits, of which \$3.172 billion were classified as *Impairments & other*, \$349 million were classified as *Merger & integration* and \$299 million were classified in *Cost of sales* in the *Consolidated Statement of Income (Loss)*:

(Stated in millions)

	Pretax	Tax	Net
<i>Impairment & other</i>			
Workforce reductions	\$ 880	\$ 69	\$ 811
Other fixed asset impairments	684	52	632
Inventory write-downs	616	49	567
North America pressure pumping asset impairments	209	67	142
Multicient seismic data impairment	198	62	136
Facility impairments	165	58	107
Facility closure costs	165	40	125
Costs associated with exiting certain activities	98	23	75
Currency devaluation loss in Egypt	63	-	63
Contract termination costs	39	9	30
Other restructuring charges	55	-	55
<i>Merger & integration</i>			
Other merger and integration-related	160	28	132
Merger-related employee benefits	83	13	70
Facility closure costs	61	13	48
Professional fees	45	10	35
<i>Cost of sales</i>			
Amortization of inventory fair value adjustment	299	90	209
	<u>\$ 3,820</u>	<u>\$ 583</u>	<u>\$ 3,237</u>

4. Acquisitions

Cameron

On April 1, 2016, Schlumberger acquired all of the outstanding shares of Cameron, a leading provider of flow equipment products, systems and services to the oil and gas industry worldwide. Under the terms of the merger agreement, Cameron became a wholly-owned subsidiary of Schlumberger. Each share of Cameron common stock issued and outstanding immediately prior to the effective time of the merger was converted into the right to receive 0.716 shares of Schlumberger stock and \$14.44 in cash.

Calculation of Consideration Transferred

The fair value of the consideration transferred to effect the acquisition of Cameron was as follows:

(stated in millions, except exchange ratio and per share amounts)

Equity consideration:		
Number of shares of Cameron stock outstanding		192
Exchange ratio		<u>0.716</u>
Schlumberger shares of common stock issued		138
Schlumberger closing stock share price on April 1, 2016	\$	<u>72.12</u>
Equity consideration		\$ 9,924
Cash consideration:		
Number of shares of Cameron stock outstanding		192
Cash consideration per Cameron share	\$	<u>14.44</u>
Cash consideration		2,776
Other:		
Fair value of replacement equity awards		103
Total fair value of the consideration transferred	\$	<u><u>12,803</u></u>

Certain amounts reflect rounding adjustments

Allocation of Consideration Transferred to Net Assets Acquired

The following amounts represent the fair value of assets acquired and liabilities assumed in the merger.

(Stated in millions)

Cash	\$	785
Short-term investments		1,448
Accounts receivable		1,669
Inventories (1)		2,350
Fixed assets		1,320
Intangible assets:		
Customer relationships (weighted-average life of 25 years)		2,371
Technology/Technical know-how (weighted-average life of 16 years)		1,736
Tradenames (weighted-average life of 25 years)		1,225
Other assets		511
Accounts payable and accrued liabilities		(2,604)
Long-term debt (2)		(3,018)
Deferred taxes (3)		(1,343)
Other liabilities		(538)
Sub-total	\$	5,912
Less:		
Investment in OneSubsea (4)		(2,065)
Noncontrolling interests		(57)
Total identifiable net assets	\$	3,790
Goodwill (5)		9,013
Total consideration transferred	\$	12,803

- (1) Schlumberger recorded an adjustment of \$299 million to write-up the acquired inventory to its estimated fair value. Schlumberger's 2016 *Cost of sales* reflected this increased valuation.
- (2) In connection with the merger, Schlumberger assumed all of the debt obligations of Cameron, including its \$2.75 billion of fixed rate notes. Schlumberger recorded a \$244 million adjustment to increase the carrying amount of these notes to their estimated fair value. This adjustment is being amortized as a reduction of interest expense over the remaining term of the respective obligations.
- (3) In connection with the acquisition accounting, Schlumberger provided deferred taxes related to, among other items, the estimated fair value adjustments for acquired inventory, intangible assets and assumed debt obligations.
- (4) Prior to the completion of the merger, Cameron and Schlumberger operated OneSubsea, a joint venture that manufactured and developed products, systems and services for the subsea oil and gas market, which was 40% owned by Schlumberger and 60% owned by Cameron. OneSubsea is now owned 100% by Schlumberger. As a result of obtaining control of this joint venture, Schlumberger was required to remeasure its previously held equity interest in the joint venture to its acquisition-date fair value. Schlumberger determined that the estimated fair value of its previously held equity interest approximated its carrying value. Accordingly, Schlumberger did not recognize any gain or loss on this transaction.
- (5) The goodwill recognized is primarily attributable to expected synergies that will result from combining the operations of Schlumberger and Cameron, as well as intangible assets which do not qualify for separate recognition. The amount of goodwill that is deductible for income tax purposes is not significant.

Supplemental Pro Forma Financial Information

Cameron's results of operations have been included in Schlumberger's financial statements for periods subsequent to the closing of the acquisition on April 1, 2016. Businesses acquired from Cameron contributed revenues of approximately \$4 billion and pretax operating income of approximately \$0.7 billion for the period from April 1, 2016 through December 31, 2016.

The following supplemental pro forma results of operations assume that Cameron had been acquired on January 1, 2015. The supplemental pro forma financial information was prepared based on the historical financial information of Schlumberger and Cameron and has been adjusted to give effect to pro forma adjustments that are both directly attributable to the transaction and factually supportable. The pro forma amounts reflect certain adjustments to amortization expense, interest expense and income taxes resulting from purchase accounting. The pro forma results for the year ended December 31, 2016 reflect adjustments to exclude after-tax merger and integration costs of \$285 million and after-tax charges relating to the amortization of the inventory fair value adjustment of \$209 million.

The supplemental pro forma financial information presented below is unaudited and does not include any anticipated cost savings or the expected realization of other synergies associated with this transaction. Accordingly, this supplemental pro forma financial information is presented for informational purposes only and is not necessarily indicative of what the actual results of operations of the combined company would have been had the acquisition occurred on January 1, 2015, nor is it indicative of future results of operations.

(Stated in millions, except per share amounts)

	2016	
Revenue	\$	29,438
Net income (loss) attributable to Schlumberger	\$	(1,419)
Diluted earnings (loss) per share	\$	(1.02)

Other

Schlumberger made other acquisitions and investments for cash payments, net of cash acquired, of \$292 million during 2018, \$847 million during 2017 and \$407 million during 2016. None of these transactions were significant to Schlumberger's consolidated financial statements, either individually or in the aggregate.

5. Inventories

Inventories, which are stated at the lower of average cost or net realizable value, consist of the following:

(Stated in millions)

	2018	2017
Raw materials & field materials	\$ 1,803	\$ 1,846
Work in progress	519	503
Finished goods	1,688	1,697
	<u>\$ 4,010</u>	<u>\$ 4,046</u>

6. Fixed Assets

Fixed assets consist of the following:

(Stated in millions)

	2018	2017
Land	\$ 462	\$ 428
Buildings & improvements	5,534	5,122
Machinery & equipment	32,668	32,160
Seismic vessels	-	103
	<u>38,664</u>	<u>37,813</u>
Less: Accumulated depreciation	26,985	26,237
	<u>\$ 11,679</u>	<u>\$ 11,576</u>

The estimated useful lives of Buildings & improvements are primarily 25 to 30 years. The estimated useful lives of Machinery & equipment are primarily 5 to 10 years.

Depreciation expense, which is recorded on a straight-line basis, was \$2.1 billion, \$2.3 billion and \$2.7 billion in 2018, 2017 and 2016, respectively.

7. Multiclient Seismic Data

The change in the carrying amount of multiclient seismic data is as follows:

(Stated in millions)

	2018	2017
Balance at beginning of year	\$ 727	\$ 1,073
Capitalized in period	100	276
Charged to expense	(226)	(377)
Impairment charge (see Note 3)	-	(245)
	<u>\$ 601</u>	<u>\$ 727</u>

8. Goodwill

The changes in the carrying amount of goodwill by segment were as follows:

(Stated in millions)

	Reservoir				
	Characterization	Drilling	Production	Cameron	Total
Balance, January 1, 2017	\$ 4,820	\$ 10,114	\$ 4,639	\$ 5,417	\$ 24,990
Acquisitions	21	3	46	24	94
Impact of changes in exchange rates	7	9	12	6	34
Balance, December 31, 2017	4,848	10,126	4,697	5,447	25,118
Acquisitions	39	-	-	-	39
Business divestiture	(175)	-	-	-	(175)
Impact of changes in exchange rates	(9)	(15)	(19)	(8)	(51)
Balance, December 31, 2018	<u>\$ 4,703</u>	<u>\$ 10,111</u>	<u>\$ 4,678</u>	<u>\$ 5,439</u>	<u>\$ 24,931</u>

9. Intangible Assets

Intangible assets consist of the following:

(Stated in millions)

	2018			2017		
	Gross Book Value	Accumulated Amortization	Net Book Value	Gross Book Value	Accumulated Amortization	Net Book Value
Customer Relationships	\$ 4,768	\$ 1,243	\$ 3,525	\$ 4,832	\$ 1,020	\$ 3,812
Technology/Technical Know-How	3,494	1,246	2,248	3,634	1,078	2,556
Tradenames	2,799	628	2,171	2,806	533	2,273
Other	1,404	621	783	1,295	582	713
	<u>\$ 12,465</u>	<u>\$ 3,738</u>	<u>\$ 8,727</u>	<u>\$ 12,567</u>	<u>\$ 3,213</u>	<u>\$ 9,354</u>

Customer relationships are generally amortized over periods ranging from 18 to 28 years, technology/technical know-how are generally amortized over periods ranging from 10 to 18 years, and tradenames are generally amortized over periods ranging from 15 to 30 years.

Amortization expense was \$673 million in 2018, \$663 million in 2017 and \$567 million in 2016.

Based on the carrying value of intangible assets at December 31, 2018, amortization expense for the subsequent five years is estimated to be as follows: 2019: \$677 million, 2020: \$668 million, 2021: \$632 million, 2022: \$622 million and 2023: \$612 million.

10. Long-term Debt and Debt Facility Agreements

Long-term Debt consists of the following:

(Stated in millions)

	2018	2017
4.00% Senior Notes due 2025	\$ 1,742	\$ 1,741
3.30% Senior Notes due 2021	1,596	1,595
3.00% Senior Notes due 2020	1,596	1,593
3.65% Senior Notes due 2023	1,493	1,492
4.20% Senior Notes due 2021	1,100	1,100
2.40% Senior Notes due 2022	997	996
3.63% Senior Notes due 2022	847	846
1.00% Guaranteed Notes due 2026	678	-
2.65% Senior Notes due 2022	598	598
2.20% Senior Notes due 2020	499	498
7.00% Notes due 2038	210	212
4.50% Notes due 2021	132	135
5.95% Notes due 2041	115	115
3.60% Notes due 2022	109	110
5.13% Notes due 2043	99	99
4.00% Notes due 2023	82	82
3.70% Notes due 2024	55	56
0.63% Guaranteed Notes due 2019	-	712
1.50% Guaranteed Notes due 2019	-	603
Commercial paper borrowings	2,433	1,694
Other	263	598
	<u>\$ 14,644</u>	<u>\$ 14,875</u>

Schlumberger Limited fully and unconditionally guarantees the securities issued by certain of its subsidiaries, including securities issued by Schlumberger Investment SA, a wholly-owned finance subsidiary of Schlumberger.

At December 31, 2018, Schlumberger had separate committed credit facility agreements aggregating \$6.5 billion with commercial banks, of which \$4.1 billion was available and unused. These committed facilities support commercial paper programs in the United States and Europe, and \$1.0 billion matures in February 2019, \$1.5 billion matures in November 2020, \$2.0 billion matures in February 2022 and \$2.0 billion matures in February 2023. Interest rates and other terms of borrowing under these lines of credit vary from country to country.

During the fourth quarter of 2018, Schlumberger issued €600 million of 1.00% Guaranteed Notes due 2026.

Commercial paper borrowings are classified as long-term debt to the extent they are backed up by available and unused committed credit facilities maturing in more than one year and to the extent it is Schlumberger's intent to maintain these obligations for longer than one year. Borrowings under the commercial paper programs at December 31, 2018 were \$2.4 billion, all of which was classified within *Long-term debt* in the *Consolidated Balance Sheet*. At December 31, 2017, borrowings under the commercial paper programs were \$3.0 billion, of which \$1.7 billion was classified within *Long-term debt* and \$1.3 billion was classified in *Short-term borrowings and current portion of long-term debt* in the *Consolidated Balance Sheet*.

The weighted average interest rate on variable rate debt as of December 31, 2018 was 3.5%.

Long-term Debt as of December 31, 2018 is due as follows: \$2.1 billion in 2020, \$3.1 billion in 2021, \$4.4 billion in 2022, \$2.1 billion in 2023, \$1.8 billion in 2025, \$0.7 billion in 2026 and \$0.4 billion thereafter.

The fair value of Schlumberger's *Long-term Debt* at December 31, 2018 and December 31, 2017 was \$14.6 billion and \$15.2 billion, respectively, and was estimated based on quoted market prices.

11. Derivative Instruments and Hedging Activities

Schlumberger is exposed to market risks related to fluctuations in interest rates and foreign currency exchange rates. To mitigate these risks, Schlumberger utilizes derivative instruments. Schlumberger does not enter into derivative transactions for speculative purposes.

Interest Rate Risk

Schlumberger is subject to interest rate risk on its debt and its investment portfolio. Schlumberger maintains an interest rate risk management strategy that uses a mix of variable and fixed rate debt combined with its investment portfolio, and occasionally interest rate swaps, to mitigate the exposure to changes in interest rates.

During 2013, Schlumberger entered into a cross-currency swap for a notional amount of €0.5 billion in order to hedge changes in the fair value of Schlumberger's €0.5 billion 1.50% Guaranteed Notes due 2019. Under the terms of this swap, Schlumberger will receive interest at a fixed rate of 1.50% on the euro notional amount and pay interest at a floating rate of three-month LIBOR plus approximately 64 basis points on the US dollar notional amount.

This cross-currency swap is designated as a fair value hedge of the underlying debt and is marked to market with gains and losses recognized immediately in income to largely offset the effects of changes in the fair value of the hedged debt.

During 2017, a Canadian dollar functional currency subsidiary of Schlumberger issued \$1.1 billion of US dollar denominated debt. Schlumberger entered into cross-currency swaps for an aggregate notional amount of \$1.1 billion in order to hedge changes in the fair value of its \$0.5 billion 2.20% Senior Notes due 2020 and its \$0.6 billion 2.65% Senior Notes due 2022. These cross-currency swaps effectively convert the US dollar notes to Canadian dollar denominated debt with fixed annual interest rates of 1.97% and 2.52%, respectively.

These cross-currency swaps are designated as cash flow hedges. The changes in the fair values of the hedges are recorded on the *Consolidated Balance Sheet* and in *Accumulated Other Comprehensive Loss*. Amounts recorded in *Accumulated Other Comprehensive Loss* are reclassified to earnings in the same periods that the underlying hedged item is recognized in earnings.

At December 31, 2018, Schlumberger had fixed rate debt aggregating \$12.7 billion and variable rate debt aggregating \$3.4 billion, after taking into account the effect of interest rate swaps.

Foreign Currency Exchange Rate Risk

As a multinational company, Schlumberger conducts its business in over 85 countries. Schlumberger's functional currency is primarily the US dollar. Approximately 79% of Schlumberger's revenues in 2018 was denominated in US dollars. However, outside the United States, a significant portion of Schlumberger's expenses is incurred in foreign currencies. Therefore, when the US dollar weakens (strengthens) in relation to the foreign currencies of the countries in which Schlumberger conducts business, the US dollar-reported expenses will increase (decrease).

Schlumberger is exposed to risks on future cash flows to the extent that the local currency is not the functional currency and expenses denominated in local currency are not equal to revenues denominated in local currency. Schlumberger is also exposed to risks on future cash flows relating to certain of its fixed rate debt denominated in currencies other than the functional currency. Schlumberger uses foreign currency forward contracts to provide a hedge against a portion of these cash flow risks. These contracts are accounted for as cash flow hedges, with the effective portion of changes in the fair value of the hedge recorded on the *Consolidated Balance Sheet* and in *Accumulated Other Comprehensive Loss*. Amounts recorded in *Accumulated Other Comprehensive Loss* are reclassified into earnings in the same period or periods that the hedged item is recognized in earnings.

At December 31, 2018, Schlumberger recognized a cumulative net \$12 million loss in *Accumulated Other Comprehensive Loss* relating to revaluation of foreign currency forward contracts designated as cash flow hedges, the majority of which is expected to be reclassified into earnings within the next 12 months.

Schlumberger is exposed to changes in the fair value of assets and liabilities denominated in currencies other than the functional currency. While Schlumberger uses foreign currency forward contracts to economically hedge this exposure as it relates to certain currencies, these contracts are not designated as hedges for accounting purposes. Instead, the fair value of the contracts is recorded on the *Consolidated Balance Sheet* and changes in the fair value are recognized in the *Consolidated Statement of Income (Loss)*, as are changes in the fair value of the hedged item. Transaction gains of \$1 million in 2018 and transaction losses of \$17 million and \$93

million in 2017 and 2016, respectively, were recognized in the *Consolidated Statement of Income (Loss)* net of related hedging activities. Included in the 2016 amount was \$63 million of losses relating to Egypt. See Note 3 - *Charges and Credits* for further details.

At December 31, 2018, contracts were outstanding for the US dollar equivalent of \$5.0 billion in various foreign currencies, of which \$1.9 billion relates to hedges of debt denominated in currencies other than the functional currency.

The fair value of outstanding derivatives was not material at December 31, 2018 and 2017.

The effect of derivative instruments designated as fair value hedges and those not designated as hedges on the *Consolidated Statement of Income (Loss)* was as follows:

(Stated in millions)

	<u>Gain (Loss) Recognized in Income (Loss)</u>			Consolidated Statement of Income (Loss) Classification
	<u>2018</u>	<u>2017</u>	<u>2016</u>	
Derivatives designated as fair value hedges:				
Cross currency swap	<u>\$ (25)</u>	<u>\$ 73</u>	<u>\$ (31)</u>	<i>Interest expense</i>
Derivatives designated as cash flow hedges:				
Cross currency swap	<u>\$ 80</u>	<u>\$ (8)</u>	<u>\$ -</u>	<i>Interest expense</i>
Foreign exchange contracts	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<i>Cost of services/sales</i>
	<u>\$ 79</u>	<u>\$ (8)</u>	<u>\$ -</u>	
Derivatives not designated as hedges:				
Foreign exchange contracts	<u>\$ 40</u>	<u>\$ (26)</u>	<u>\$ (246)</u>	<i>Cost of services/sales</i>

12. Stockholders' Equity

Schlumberger is authorized to issue 4,500,000,000 shares of common stock, par value \$0.01 per share, of which 1,382,964,324 and 1,383,932,776 shares were outstanding on December 31, 2018 and 2017, respectively. Holders of common stock are entitled to one vote for each share of stock held. Schlumberger is also authorized to issue 200,000,000 shares of preferred stock, par value \$0.01 per share, which may be issued in series with terms and conditions determined by the Schlumberger Board of Directors. No shares of preferred stock have been issued.

Accumulated Other Comprehensive Loss consists of the following:

(Stated in millions)

	Currency Translation Adjustments	Marketable Securities	Cash Flow Hedges	Pension and Other Postretirement Benefit Plans	Total
Balance, January 1, 2016	\$ (2,053)	\$ -	\$ (39)	\$ (2,466)	\$ (4,558)
Other comprehensive income (loss) before reclassifications	(83)	21	(101)	(289)	(452)
Amounts reclassified from accumulated other comprehensive loss	-	-	121	259	380
Income taxes	-	-	-	(13)	(13)
Balance, December 31, 2016	(2,136)	21	(19)	(2,509)	(4,643)
Other comprehensive income (loss) before reclassifications	(3)	(8)	22	134	145
Amounts reclassified from accumulated other comprehensive loss	-	-	-	239	239
Income taxes	-	-	-	(15)	(15)
Balance, December 31, 2017	(2,139)	13	3	(2,151)	(4,274)
Reclassification to <i>Retained Earnings</i> of stranded tax effects resulting from US tax reform	-	-	-	(109)	(109)
Other comprehensive loss before reclassifications	(191)	(11)	(16)	(186)	(404)
Amounts reclassified from accumulated other comprehensive loss	-	-	1	182	183
Income taxes	-	-	-	(18)	(18)
Balance, December 31, 2018	<u>\$ (2,330)</u>	<u>\$ 2</u>	<u>\$ (12)</u>	<u>\$ (2,282)</u>	<u>\$ (4,622)</u>

Other comprehensive loss was \$239 million in 2018 and \$85 million in 2016. Other comprehensive income was \$369 million in 2017.

13. Stock-based Compensation Plans

Schlumberger has three types of stock-based compensation programs: (i) stock options, (ii) a restricted stock, restricted stock unit and performance share unit program (collectively referred to as "restricted stock"), and (iii) a discounted stock purchase plan ("DSPP").

Stock Options

Key employees are granted stock options under Schlumberger stock option plans. For all stock options granted, the exercise price equals the average of the high and low sales prices of Schlumberger stock on the date of grant; the maximum term is 10 years, and the options generally vest in increments over five years.

The fair value of each stock option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions and resulting weighted-average fair value per share:

	2018	2017	2016
Dividend yield	2.6%	2.3%	2.7%
Expected volatility	26%	27%	30%
Risk-free interest rate	2.6%	2.4%	1.7%
Expected option life in years	7.0	7.0	7.0
Weighted-average fair value per share	\$ 17.37	\$ 20.85	\$ 17.45

The following table summarizes information related to options outstanding and options exercisable as of December 31, 2018:

(Shares stated in thousands)

Exercise prices range	Options Outstanding			Options Exercisable	
	Options Outstanding	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Options Exercisable	Weighted-Average Exercise Price
\$37.85 - \$69.98	6,859	3.0	\$ 61.23	5,736	\$ 60.99
\$70.31 - \$76.74	10,579	4.1	\$ 72.17	10,144	\$ 72.02
\$77.10 - \$83.15	8,095	7.5	\$ 79.34	2,851	\$ 79.81
\$83.89 - \$88.77	9,644	5.0	\$ 85.88	6,129	\$ 85.00
\$90.00 - \$114.83	8,352	5.5	\$ 95.86	6,186	\$ 96.24
	<u>43,529</u>	<u>5.0</u>	<u>\$ 79.36</u>	<u>31,046</u>	<u>\$ 78.09</u>

The weighted-average remaining contractual life of stock options exercisable as of December 31, 2018 was 4.1 years.

The following table summarizes stock option activity during the years ended December 31, 2018, 2017 and 2016:

(Shares stated in thousands)

	2018		2017		2016	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	47,210	\$ 79.13	46,502	\$ 78.31	41,087	\$ 78.73
Granted	2,121	\$ 76.95	5,024	\$ 86.55	7,672	\$ 76.14
Assumed in Cameron transaction	-	\$ -	-	\$ -	3,088	\$ 63.24
Exercised	(936)	\$ 54.20	(1,156)	\$ 57.87	(3,357)	\$ 60.70
Forfeited	(4,866)	\$ 84.19	(3,160)	\$ 86.99	(1,988)	\$ 84.60
Outstanding at year-end	<u>43,529</u>	<u>\$ 79.36</u>	<u>47,210</u>	<u>\$ 79.13</u>	<u>46,502</u>	<u>\$ 78.31</u>

Stock options outstanding and stock options exercisable as of December 31, 2018 had no intrinsic value .

The total intrinsic value of options exercised during the years ended December 31, 2018, 2017 and 2016 was \$15 million, \$26 million and \$45 million, respectively.

Restricted Stock

Schlumberger grants performance share units to certain executives. The number of shares earned is determined at the end of each performance period, which is generally three years, based on Schlumberger's achievement of certain predefined targets as defined in the underlying performance share unit agreement. In the event Schlumberger exceeds the predefined target, shares for up to the maximum of 250% of the target award may be awarded. In the event Schlumberger falls below the predefined target, a reduced number of shares may be awarded. If Schlumberger falls below the threshold award performance level, no shares will be awarded. As of December 31, 2018, 1.9 million performance share units were outstanding assuming the achievement of 100% of target.

All other restricted stock awards generally vest at the end of three years.

Restricted stock awards generally do not pay dividends or have voting rights prior to vesting. Accordingly, the fair value of a restricted stock award is the quoted market price of Schlumberger's stock on the date of grant less the present value of the expected dividends not received prior to vesting.

The following table summarizes information related to restricted stock transactions:

(Shares stated in thousands)

	2018		2017		2016	
	Restricted Stock	Weighted-Average Grant Date Fair Value	Restricted Stock	Weighted-Average Grant Date Fair Value	Restricted Stock	Weighted-Average Grant Date Fair Value
Unvested at beginning of year	5,428	\$ 72.33	5,112	\$ 78.31	3,571	\$ 85.04
Granted	3,204	\$ 70.54	2,495	\$ 73.09	1,678	\$ 68.66
Assumed in Cameron transaction	-	\$ -	-	\$ -	1,824	\$ 72.12
Vested	(982)	\$ 77.62	(1,645)	\$ 83.03	(1,720)	\$ 72.64
Forfeited	(699)	\$ 70.67	(534)	\$ 80.17	(241)	\$ 80.87
Unvested at year-end	<u>6,951</u>	<u>\$ 70.13</u>	<u>5,428</u>	<u>\$ 72.33</u>	<u>5,112</u>	<u>\$ 78.31</u>

Discounted Stock Purchase Plan

Under the terms of the DSPP, employees can choose to have a portion of their earnings withheld, subject to certain restrictions, to purchase Schlumberger common stock. The purchase price of the stock is 92.5% of the lower of the stock price at the beginning or end of the plan period at six-month intervals.

The fair value of the employees' purchase rights under the DSPP was estimated using the Black-Scholes model with the following assumptions and resulting weighted-average fair value per share:

	2018	2017	2016
Dividend yield	2.9%	2.7%	2.7%
Expected volatility	22%	19%	25%
Risk-free interest rate	1.6%	1.0%	0.5%
Weighted-average fair value per share	\$ 9.01	\$ 9.46	\$ 10.37

Total Stock-based Compensation Expense

The following summarizes stock-based compensation expense recognized in income:

(Stated in millions)

	2018	2017	2016
Stock options	\$ 134	\$ 161	\$ 175
Restricted stock	179	148	47
DSPP	32	34	45
	<u>\$ 345</u>	<u>\$ 343</u>	<u>\$ 267</u>

At December 31, 2018, there was \$418 million of total unrecognized compensation cost related to nonvested stock-based compensation arrangements, of which \$238 million is expected to be recognized in 2019, \$139 million in 2020, \$35 million in 2021, \$6 million in 2022.

As of December 31, 2018, approximately 45 million shares of Schlumberger common stock were available for future grants under Schlumberger's stock-based compensation programs.

14. Income Taxes

Schlumberger operates in more than 100 tax jurisdictions, where statutory tax rates generally vary from 0% to 35%.

Income (loss) before taxes subject to United States and non-United States income taxes was as follows:

(Stated in millions)

	2018	2017	2016
United States	\$ (55)	\$ (841)	\$ (3,103)
Outside United States	2,679	(342)	1,198
	<u>\$ 2,624</u>	<u>\$ (1,183)</u>	<u>\$ (1,905)</u>

Schlumberger recorded net pretax charges of \$141 million in 2018 (\$102 million in the US and \$39 million outside the US); \$3.764 billion in 2017 (\$533 billion in the US and \$3.231 billion outside the US); and \$3.820 billion in 2016 (\$1.848 billion in the US and \$1.972 billion outside the US). These charges and credits are included in the table above and are more fully described in Note 3 – Charges and Credits.

The components of net deferred tax assets (liabilities) were as follows:

(Stated in millions)

	2018	2017
Postretirement benefits	\$ 122	\$ 135
Intangible assets	(2,110)	(2,186)
Investments in non-US subsidiaries	(223)	(224)
Fixed assets, net	(140)	(55)
Inventories	111	126
Foreign tax credits	343	118
Other, net	456	436
	<u>\$ (1,441)</u>	<u>\$ (1,650)</u>

The above deferred tax balances at December 31, 2018 and 2017 were net of valuation allowances relating to net operating losses in certain countries of \$87 million and \$119 million, respectively.

Schlumberger generally does not provide for taxes related to its undistributed earnings because such earnings either would not be taxable when remitted or they are considered to be indefinitely reinvested. Taxes that would be incurred if the undistributed earnings of other Schlumberger subsidiaries were distributed to their ultimate parent company would not be material.

The components of Tax expense (benefit) were as follows:

(Stated in millions)

	2018	2017	2016
Current:			
United States-Federal	\$ 124	\$ (170)	\$ (511)
United States-State	(50)	57	(36)
Outside United States	618	703	648
	<u>692</u>	<u>590</u>	<u>101</u>
Deferred:			
United States-Federal	\$ (143)	\$ (225)	\$ (352)
United States-State	(4)	4	(13)
Outside United States	(69)	(47)	(51)
Valuation allowance	(29)	8	37
	<u>(245)</u>	<u>(260)</u>	<u>(379)</u>
	<u>\$ 447</u>	<u>\$ 330</u>	<u>\$ (278)</u>

A reconciliation of the United States statutory federal tax rate to the consolidated effective tax rate follows:

	2018	2017	2016
US federal statutory rate	21%	35%	35%
State tax	(2)	-	2
Non-US income taxed at different rates	(2)	(24)	(21)
Charges and credits (See Note 3)	-	(40)	(1)
Enactment of US tax reform (See Note 3)	-	(6)	-
Other	-	7	-
	<u>17%</u>	<u>(28)%</u>	<u>15%</u>

A number of the jurisdictions in which Schlumberger operates have tax laws that are not fully defined and are evolving. Schlumberger's tax filings are subject to regular audit by the tax authorities. These audits may result in assessments for additional taxes that are resolved with the tax authorities, or potentially through the courts. Tax liabilities are recorded based on estimates of additional taxes that will be due upon the conclusion of these audits. Due to the uncertain and complex application of tax regulations, the ultimate resolution of audits may result in liabilities which could be materially different from these estimates.

A reconciliation of the beginning and ending amount of liabilities associated with uncertain tax positions for the years ended December 31, 2018, 2017 and 2016 is as follows:

	<i>(Stated in millions)</i>		
	2018	2017	2016
Balance at beginning of year	\$ 1,393	\$ 1,419	\$ 1,285
Additions based on tax positions related to the current year	88	132	70
Additions for tax positions of prior years	145	58	119
Additions related to acquisitions	-	-	127
Impact of changes in exchange rates	(41)	23	(25)
Settlements with tax authorities	(22)	(41)	(45)
Reductions for tax positions of prior years	(57)	(157)	(85)
Reductions due to the lapse of the applicable statute of limitations	(73)	(41)	(27)
Balance at end of year	<u>\$ 1,433</u>	<u>\$ 1,393</u>	<u>\$ 1,419</u>

The amounts above exclude accrued interest and penalties of \$205 million, \$195 million and \$178 million at December 31, 2018, 2017 and 2016, respectively. Schlumberger classifies interest and penalties relating to uncertain tax positions within *Tax expense (benefit)* in the *Consolidated Statement of Income (Loss)*.

The following table summarizes the tax years that are either currently under audit or remain open and subject to examination by the tax authorities in the most significant jurisdictions in which Schlumberger operates:

Canada	2011 - 2018
Ecuador	2015 - 2018
Mexico	2011 - 2018
Norway	2013 - 2018
Russia	2015 - 2018
Saudi Arabia	2004 - 2018
United Kingdom	2016 - 2018
United States	2015 - 2018

In certain of the jurisdictions noted above, Schlumberger operates through more than one legal entity, each of which may have different open years subject to examination. The table above presents the open years subject to examination for the most material of the legal entities in each jurisdiction. Additionally, it is important to note that tax years are technically not closed until the statute of limitations in each jurisdiction expires. In the jurisdictions noted above, the statute of limitations can extend beyond the open years subject to examination.

15. Leases and Lease Commitments

During the fourth quarter of 2018, Schlumberger adopted ASU No. 2016-02, *Leases*, effective January 1, 2018. This ASU requires lessees to recognize an operating lease asset and a lease liability on the balance sheet, with the exception of short-term leases.

Under the transition method selected by Schlumberger, leases existing at, or entered into after, January 1, 2018 were required to be recognized and measured. Prior period amounts have not been adjusted and continue to be reflected in accordance with Schlumberger's historical accounting. The adoption of this standard resulted in the recording of operating lease assets and operating lease liabilities of approximately of \$1.3 billion as of January 1, 2018, with no related impact on Schlumberger's *Consolidated Statement of Equity* or *Consolidated Statement of Income (Loss)*. Short-term leases have not been recorded on the balance sheet.

Schlumberger elected the package of practical expedients permitted under the transition guidance within the new standard which, among other things, allows companies to carry forward their historical lease classification.

Schlumberger's leasing activities primarily consist of operating leases for administrative offices, manufacturing facilities, research centers, service centers, sales offices and certain equipment. Total operating lease expense, which approximates cash paid and includes short-term leases, was \$1.7 billion in 2018, \$1.4 billion in 2017, and \$1.2 billion in 2016.

Future minimum rental commitments under noncancelable operating leases as of December 31, 2017 were as follows:

	<i>(Stated in millions)</i>
2018	\$ 284
2019	244
2020	203
2021	164
2022	127
Thereafter	410
	<u>\$ 1,432</u>

Maturities of operating lease liabilities as of December 31, 2018 were as follows:

	<i>(Stated in millions)</i>
2019	\$ 568
2020	486
2021	246
2022	161
2023	132
Thereafter	392
Total lease payments	<u>\$ 1,985</u>
Less: Interest	(209)
	<u>\$ 1,776</u>
<i>Amounts recognized in Balance Sheet</i>	
Accounts payable and accrued liabilities	\$ 551
Other Liabilities	1,225
	<u>\$ 1,776</u>

Operating lease assets of \$1.8 billion as of December 31, 2018 were included in *Other Assets* in the *Consolidated Balance Sheet*.

The weighted-average remaining lease term as of December 31, 2018 was 7 years. The weighted-average discount rate used to determine the operating lease liability as of December 31, 2018 was 3.2%.

16. Contingencies

Schlumberger and its subsidiaries are party to various legal proceedings from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. Management believes that the probability of a material loss with respect to any currently pending legal proceeding is remote. However, litigation is inherently uncertain and it is not possible to predict the ultimate disposition of any of these proceedings.

17. Segment Information

Schlumberger's segments are as follows:

- **Reservoir Characterization** – Consists of the principal Technologies involved in finding and defining hydrocarbon resources. These include WesternGeco, Wireline, Testing Services, OneSurface, Software Integrated Solutions and Integrated Services Management.
- **Drilling** – Consists of the principal Technologies involved in the drilling and positioning of oil and gas wells. These include Bits & Drilling Tools, M-I SWACO, Drilling & Measurements, Land Rigs and Integrated Drilling Services.
- **Production** – Consists of the principal Technologies involved in the lifetime production of oil and gas reservoirs. These include Well Services, OneStim, Completions, Artificial Lift and Schlumberger Production Management.
- **Cameron** – Consists of the principal Technologies involved in pressure and flow control for drilling and intervention rigs, oil and gas wells and production facilities. These include OneSubsea, Surface Systems, Drilling Systems and Valves & Measurements.

Financial information for the years ended December 31, 2018, 2017 and 2016, by segment, is as follows:

(Stated in millions)

	2018				
	Revenue	Income Before Taxes	Assets	Depreciation and Amortization	Capital Expenditures
Reservoir Characterization	\$ 6,526	\$ 1,392	\$ 4,477	\$ 673	\$ 302
Drilling	9,250	1,239	5,843	597	718
Production	12,394	1,052	12,625	1,417	886
Cameron	5,167	608	3,967	241	146
Eliminations & other	(522)	(104)	1,460	189	108
Pretax operating income		4,187			
Goodwill and intangible assets			33,658		
Cash and short term investments			2,777		
All other assets			5,700		
Corporate & other (1)		(937)		439	
Interest income (2)		52			
Interest expense (3)		(537)			
Charges & credits (4)		(141)			
	<u>\$ 32,815</u>	<u>\$ 2,624</u>	<u>\$ 70,507</u>	<u>\$ 3,556</u>	<u>\$ 2,160</u>

(Stated in millions)

	2017				
	Revenue	Income Before Taxes	Assets	Depreciation and Amortization	Capital Expenditures
Reservoir Characterization	\$ 6,795	\$ 1,244	\$ 4,892	\$ 989	\$ 305
Drilling	8,392	1,151	5,513	697	629
Production	10,630	936	12,450	1,240	889
Cameron	5,205	733	3,978	260	150
Eliminations & other	(582)	(143)	1,665	213	134
Pretax operating income		3,921			
Goodwill and intangible assets			34,472		
Cash and short term investments			5,089		
All other assets			3,928		
Corporate & other (1)		(934)		438	
Interest income (2)		107			
Interest expense (3)		(513)			
Charges & credits (4)		(3,764)			
	<u>\$ 30,440</u>	<u>\$ (1,183)</u>	<u>\$ 71,987</u>	<u>\$ 3,837</u>	<u>\$ 2,107</u>

(Stated in millions)

	2016				
	Revenue	Income Before Taxes	Assets	Depreciation and Amortization	Capital Expenditures
Reservoir Characterization	\$ 6,660	\$ 1,244	\$ 6,890	\$ 1,156	\$ 532
Drilling	8,561	994	6,803	881	425
Production	8,792	512	10,497	1,231	655
Cameron	4,211	653	4,246	208	176
Eliminations & other	(414)	(130)	1,528	234	267
Pretax operating income		3,273			
Goodwill and intangible assets			34,845		
Cash, short term investments and fixed income investments			9,495		
All other assets			3,652		
Corporate & other (1)		(925)		384	
Interest income (2)		84			
Interest expense (3)		(517)			
Charges & credits (4)		(3,820)			
	<u>\$ 27,810</u>	<u>\$ (1,905)</u>	<u>\$ 77,956</u>	<u>\$ 4,094</u>	<u>\$ 2,055</u>

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets (including intangible asset amortization expense resulting from the 2016 acquisition of Cameron), certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income (2018: \$8 million; 2017: \$21 million; 2016: \$26 million).

(3) Interest expense excludes amounts which are included in the segments' income (2018: \$38 million; 2017: \$53 million; 2016: \$53 million).

(4) See Note 3 – *Charges and Credits*.

Segment assets consist of receivables, inventories, fixed assets, multiclient seismic data and SPM investments.

Depreciation and amortization includes depreciation of property, plant and equipment and amortization of intangible assets, multiclient seismic data costs and SPM investments.

Revenue by geographic area for the years ended December 31, 2018, 2017 and 2016 is as follows:

(Stated in millions)

	2018	2017	2016
North America	\$ 11,984	\$ 9,487	\$ 6,665
Latin America	3,745	3,976	4,230
Europe/CIS/Africa	7,158	7,072	7,373
Middle East & Asia	9,543	9,394	9,264
Eliminations & other	385	511	278
	<u>\$ 32,815</u>	<u>\$ 30,440</u>	<u>\$ 27,810</u>

Revenue is based on the location where services are provided and products are sold.

During each of the three years ended December 31, 2018, 2017 and 2016, no single customer exceeded 10% of consolidated revenue.

Schlumberger did not have revenue from third-party customers in its country of domicile during the last three years. Revenue in the United States in 2018, 2017 and 2016 was \$10.1 billion, \$8.1 billion and \$5.4 billion, respectively.

North America and International revenue disaggregated by segment was as follows:

(Stated in millions)

	2018			
	North America	International	Eliminations & other	Total
Reservoir Characterization	\$ 992	\$ 5,067	\$ 467	\$ 6,526
Drilling	2,332	6,684	234	9,250
Production	6,312	6,077	5	12,394
Cameron	2,316	2,771	80	5,167
Other	32	(153)	(401)	(522)
	<u>\$ 11,984</u>	<u>\$ 20,446</u>	<u>\$ 385</u>	<u>\$ 32,815</u>

Fixed Assets less accumulated depreciation by geographic area are as follows:

(Stated in millions)

	2018	2017
North America	\$ 5,715	\$ 5,121
Latin America	898	1,042
Europe/CIS/Africa	2,364	2,545
Middle East & Asia	2,604	2,762
Unallocated	98	106
	<u>\$ 11,679</u>	<u>\$ 11,576</u>

18. Pension and Other Benefit Plans

Pension Plans

Schlumberger sponsors several defined benefit pension plans that cover substantially all US employees hired prior to October 1, 2004. The benefits are based on years of service and compensation, on a career-average pay basis.

In addition to the US defined benefit pension plans, Schlumberger sponsors several other international defined benefit pension plans. The most significant of these international plans are the International Staff Pension Plan and the UK pension plan (collectively, the “International plans”). The International Staff Pension Plan covers certain international employees hired prior to July 1, 2014 and is based on years of service and compensation on a career-average pay basis. The UK plan covers employees hired prior to April 1, 1999, and is based on years of service and compensation, on a final salary basis.

The weighted-average assumed discount rate, compensation increases and expected long-term rate of return on plan assets used to determine the net pension cost for the US and International plans were as follows:

	US			International		
	2018	2017	2016	2018	2017	2016
Discount rate	3.70%	4.20%	4.50%	3.55%	4.13%	4.36%
Compensation increases	4.00%	4.00%	4.00%	4.81%	4.81%	4.81%
Return on plan assets	7.25%	7.25%	7.25%	7.40%	7.40%	7.40%

Net pension cost for 2018, 2017 and 2016 included the following components:

(Stated in millions)

	US			International		
	2018	2017	2016	2018	2017	2016
Service cost - benefits earned during the period	\$ 59	\$ 57	\$ 62	\$ 138	\$ 95	\$ 110
Interest cost on projected benefit obligation	167	175	177	304	306	311
Expected return on plan assets	(248)	(242)	(235)	(584)	(541)	(517)
Amortization of prior service cost	13	12	12	10	97	122
Amortization of net loss	47	39	79	140	120	78
	<u>\$ 38</u>	<u>\$ 41</u>	<u>\$ 95</u>	<u>\$ 8</u>	<u>\$ 77</u>	<u>\$ 104</u>

The weighted-average assumed discount rate and compensation increases used to determine the projected benefit obligations for the US and International plans were as follows:

	US		International	
	2018	2017	2018	2017
Discount rate	4.30%	3.70%	4.00%	3.55%
Compensation increases	4.00%	4.00%	4.83%	4.81%

The changes in the projected benefit obligation, plan assets and funded status of the plans were as follows:

(Stated in millions)

	US		International	
	2018	2017	2018	2017
Change in Projected Benefit Obligations				
Projected benefit obligation at beginning of year	\$ 4,603	\$ 4,240	\$ 8,752	\$ 7,793
Service cost	59	57	138	95
Interest cost	167	175	304	306
Contribution by plan participants	-	-	79	88
Actuarial (gains) losses	(349)	325	(758)	616
Currency effect	-	-	(87)	147
Benefits paid	(202)	(194)	(317)	(293)
Projected benefit obligation at end of year	\$ 4,278	\$ 4,603	\$ 8,111	\$ 8,752
Change in Plan Assets				
Plan assets at fair value at beginning of year	\$ 4,058	\$ 3,625	\$ 8,507	\$ 7,194
Actual return on plan assets	(112)	622	(370)	1,216
Currency effect	-	-	(105)	161
Company contributions	4	5	78	88
Contributions by plan participants	-	-	79	88
Benefits paid	(202)	(194)	(317)	(293)
Other	-	-	-	53
Plan assets at fair value at end of year	\$ 3,748	\$ 4,058	\$ 7,872	\$ 8,507
Unfunded Liability	\$ (530)	\$ (545)	\$ (239)	\$ (245)
Amounts Recognized in Balance Sheet				
Postretirement Benefits	\$ (530)	\$ (545)	\$ (514)	\$ (418)
Other Assets	-	-	275	173
	\$ (530)	\$ (545)	\$ (239)	\$ (245)
Amounts Recognized in Accumulated Other Comprehensive Loss				
Actuarial losses	\$ 852	\$ 887	\$ 1,440	\$ 1,419
Prior service cost	18	30	9	17
	\$ 870	\$ 917	\$ 1,449	\$ 1,436
Accumulated benefit obligation	\$ 4,070	\$ 4,347	\$ 7,895	\$ 8,400

The unfunded liability represents the difference between the plan assets and the projected benefit obligation (“PBO”). The PBO represents the actuarial present value of benefits based on employee service and compensation and includes an assumption about future compensation levels. The accumulated benefit obligation (“ABO”) represents the actuarial present value of benefits based on employee service and compensation, but does not include an assumption about future compensation levels.

Actuarial gains arising during 2018 are primarily attributable to the increase in the discount rate used to determine the PBO. As of December 31, 2018, the PBO and fair value of plan assets for plans with PBOs in excess of plan assets were \$11.0 billion and \$9.9 billion, respectively. The related ABO for these plans was \$10.6 billion at December 31, 2018.

The weighted-average allocation of plan assets and the target allocations by asset category are as follows:

	US			International		
	Target	2018	2017	Target	2018	2017
Equity securities	20 - 30%	21%	51%	47 - 59%	50%	64
Debt securities	63 - 77	70	38	27 - 33	32	23
Cash and cash equivalents	0 - 3	2	3	0 - 3	2	4
Alternative investments	5 - 10	7	8	15 - 22	16	9
	100%	100%	100%	100%	100%	100

Asset performance is monitored frequently with an overall expectation that plan assets will meet or exceed the weighted index of its target asset allocation and component benchmark over rolling five-year periods.

The expected rate of return on assets assumptions reflect the long-term average rate of earnings expected on funds invested or to be invested. The assumptions have been determined based on expectations regarding future rates of return for the portfolio considering the asset allocation and related historical rates of return. The appropriateness of the assumptions is reviewed annually.

The fair value of Schlumberger's pension plan assets at December 31, 2018 and 2017, by asset category, is presented below and was determined based on valuation techniques categorized as follows:

- Level One: The use of quoted prices in active markets for identical instruments.
- Level Two: The use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or other inputs that are observable in the market or can be corroborated by observable market data.
- Level Three: The use of significant unobservable inputs that typically require the use of management's estimates of assumptions that market participants would use in pricing.

(Stated in millions)

Asset Category:	US Plan Assets							
	2018				2017			
	Total	Level One	Level Two	Level Three	Total	Level One	Level Two	Level Three
Cash and Cash Equivalents	\$ 80	\$ 44	\$ 36	\$ -	\$ 112	\$ 92	\$ 20	\$ -
Equity Securities:								
US (a)	501	416	85	-	1,324	1,148	176	-
International (b)	267	263	4	-	757	747	10	-
Debt Securities								
Corporate bonds (c)	1,517	-	1,517	-	771	-	771	-
Government and government-related debt securities (d)	1,072	66	1,006	-	656	163	493	-
Collateralized mortgage obligations and mortgage backed securities (e)	40	-	40	-	108	-	108	-
Alternative Investments:								
Private equity (f)	185	-	-	185	183	-	-	183
Real estate (g)	86	-	-	86	147	-	-	147
Total	\$ 3,748	\$ 789	\$ 2,688	\$ 271	\$ 4,058	\$ 2,150	\$ 1,578	\$ 330

(Stated in millions)

Asset Category:	International Plan Assets							
	2018				2017			
	Total	Level One	Level Two	Level Three	Total	Level One	Level Two	Level Three
Cash and Cash Equivalents	\$ 157	\$ 75	\$ 82	\$ -	\$ 307	\$ 69	\$ 238	\$ -
Equity Securities:								
US (a)	2,421	2,028	393	-	3,286	2,642	644	-
International (b)	1,526	1,406	120	-	2,160	1,871	289	-
Debt Securities								
Corporate bonds (c)	923	-	923	-	841	-	841	-
Government and government-related debt securities (d)	1,377	5	1,372	-	985	11	974	-
Collateralized mortgage obligations and mortgage backed securities (e)	236	-	236	-	150	-	150	-
Alternative Investments:								
Private equity (f)	565	-	-	565	477	-	-	477
Real estate (g)	150	-	-	150	168	-	-	168
Other	517	-	-	517	133	-	-	133
Total	\$ 7,872	\$ 3,514	\$ 3,126	\$ 1,232	\$ 8,507	\$ 4,593	\$ 3,136	\$ 778

- (a) US equities include companies that are well-diversified by industry sector and equity style (i.e., growth and value strategies). Active and passive management strategies are employed. Investments are primarily in large capitalization stocks and, to a lesser extent, mid- and small-cap stocks.
- (b) International equities are invested in companies that are traded on exchanges outside the US and are well-diversified by industry sector, country and equity style. Active and passive strategies are employed. The vast majority of the investments are made in companies in developed markets, with a small percentage in emerging markets.
- (c) Corporate bonds consist primarily of investment grade bonds from diversified industries.
- (d) Government and government-related debt securities are comprised primarily of inflation-protected US treasuries and, to a lesser extent, other government-related securities.
- (e) Collateralized mortgage obligations and mortgage backed-securities are debt obligations that represent claims to the cash flows from pools of mortgage loans, which are purchased from banks, mortgage companies, and other originators and then assembled into pools by governmental, quasi-governmental and private entities.
- (f) Private equity includes investments in several funds of funds.
- (g) Real estate primarily includes investments in real estate limited partnerships, concentrated in commercial real estate.

Schlumberger's funding policy is to annually contribute amounts that are based upon a number of factors including the actuarial accrued liability, amounts that are deductible for income tax purposes, legal funding requirements and available cash flow. Schlumberger expects to contribute approximately \$25 million to its postretirement benefit plans in 2019, subject to market and business conditions.

Postretirement Benefits Other Than Pensions

Schlumberger provides certain healthcare benefits to certain former US employees who have retired. Effective April 1, 2015, Schlumberger changed the way it provides healthcare coverage to certain retirees who are age 65 and over. Under the amended plan, these retirees transferred to individual coverage under the Medicare Exchange. Schlumberger subsidizes the cost of the program by providing these retirees with a Health Reimbursement Account. The annual subsidy may be increased based on medical cost inflation, but it will not be increased by more than 5% in any given year.

The actuarial assumptions used to determine the accumulated postretirement benefit obligation and net periodic benefit cost for the US postretirement medical plan were as follows:

	Benefit Obligations At December 31,		Net Periodic Benefit Cost for the Year		
	2018	2017	2018	2017	2016
Discount rate	4.30%	3.70%	3.70%	4.20%	4.50%
Return on plan assets	-	-	7.00%	7.00%	7.00%
Current medical cost trend rate	7.00%	7.25%	7.00%	7.25%	7.50%
Ultimate medical cost trend rate	5.00%	5.00%	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2026	2026	2026	2026	2026

The net periodic benefit credit for the US postretirement medical plan included the following components:

(Stated in millions)

	2018	2017	2016
Service cost	\$ 32	\$ 29	\$ 30
Interest cost	43	46	47
Expected return on plan assets	(63)	(60)	(57)
Amortization of prior service credit	(28)	(29)	(32)
	<u>\$ (16)</u>	<u>\$ (14)</u>	<u>\$ (12)</u>

The changes in the accumulated postretirement benefit obligation, plan assets and funded status were as follows:

(Stated in millions)

	2018	2017
<i>Change in Projected Benefit Obligations</i>		
Benefit obligation at beginning of year	\$ 1,213	\$ 1,108
Service cost	32	29
Interest cost	43	46
Contribution by plan participants	8	8
Actuarial gains (losses)	(128)	71
Benefits paid	(62)	(49)
Benefit obligation at end of year	<u>\$ 1,106</u>	<u>\$ 1,213</u>
<i>Change in Plan Assets</i>		
Plan assets at fair value at beginning of year	\$ 1,094	\$ 952
Actual return on plan assets	(44)	143
Company contributions	1	40
Contributions by plan participants	8	8
Benefits paid	(62)	(49)
Plan assets at fair value at end of year	<u>\$ 997</u>	<u>\$ 1,094</u>
<i>Unfunded Liability</i>	<u>\$ (109)</u>	<u>\$ (119)</u>
<i>Amounts Recognized in Accumulated Other Comprehensive Loss</i>		
Actuarial losses	\$ 14	\$ 36
Prior service credit	(186)	(215)
	<u>\$ (172)</u>	<u>\$ (179)</u>

The unfunded liability is included in *Postretirement Benefits* in the *Consolidated Balance Sheet*.

The assets of the US postretirement medical plan are invested 57% in equity securities and 43% in debt securities at December 31, 2018. The fair value of these assets was primarily determined based on Level Two valuation techniques.

Other Information

The expected benefits to be paid under the US and International pension plans as well as the postretirement medical plan are as follows:

(Stated in millions)

	Pension Benefits		Postretirement Medical Plan
	US	International	
2019	\$ 211	\$ 304	\$ 52
2020	\$ 216	\$ 316	\$ 53
2021	\$ 221	\$ 327	\$ 55
2022	\$ 227	\$ 339	\$ 60
2023	\$ 233	\$ 351	\$ 61
2024-2028	\$ 1,240	\$ 1,980	\$ 341

In addition to providing defined pension benefits and a postretirement medical plan, Schlumberger has other deferred benefit programs, primarily profit sharing and defined contribution pension plans. Expenses for these programs were \$435 million, \$413 million and \$445 million in 2018, 2017 and 2016, respectively.

19. Supplementary Information

Cash paid (refunded) for interest and income taxes was as follows:

(Stated in millions)

	2018	2017	2016
Interest	\$ 592	\$ 572	\$ 599
Income tax	\$ 628	\$ (44)	\$ 750

Interest and other income includes the following:

(Stated in millions)

	2018	2017	2016
Interest income	\$ 60	\$ 128	\$ 110
Earnings of equity method investments	89	96	90
	<u>\$ 149</u>	<u>\$ 224</u>	<u>\$ 200</u>

The change in *Allowance for doubtful accounts* is as follows:

(Stated in millions)

	2018	2017	2016
Balance at beginning of year	\$ 241	\$ 397	\$ 333
Additions	15	7	123
Amounts written off	(7)	(163)	(59)
Balance at end of year	<u>\$ 249</u>	<u>\$ 241</u>	<u>\$ 397</u>

Revenue in excess of billings related to contracts where revenue is recognized over time was \$0.2 billion and \$0.3 billion at December 31, 2018 and 2017, respectively. Such amounts are included within *Receivables less allowance for doubtful accounts* in the *Consolidated Balance Sheet*.

Accounts payable and accrued liabilities consist of the following:

(Stated in millions)

	<u>2018</u>	<u>2017</u>
Trade	\$ 4,709	\$ 4,614
Payroll, vacation and employee benefits	1,244	1,296
Billings and cash collections in excess of revenue	877	752
Other	3,393	3,374
	<u>\$ 10,223</u>	<u>\$ 10,036</u>

Management's Report on Internal Control Over Financial Reporting

Schlumberger management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Schlumberger's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Schlumberger management assessed the effectiveness of its internal control over financial reporting as of December 31, 2018. In making this assessment, it used the criteria set forth in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework*. Based on this assessment Schlumberger's management has concluded that, as of December 31, 2018, its internal control over financial reporting is effective based on those criteria.

The effectiveness of Schlumberger's internal control over financial reporting as of December 31, 2018 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
of Schlumberger Limited

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Schlumberger Limited and its subsidiaries (“the Company”) as of December 31, 2018 and 2017, and the related consolidated statements of income (loss), comprehensive income (loss), stockholders’ equity and cash flows for each of the three years in the period ended December 31, 2018, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
January 23, 2019

We have served as the Company's auditor since 1952.

Quarterly Results

(Unaudited)

The following table summarizes Schlumberger's results by quarter for the years ended December 31, 2018 and 2017.

(Stated in millions, except per share amounts)

	Revenue (2)	Gross Margin (1), (2)	Net Income (Loss) Attributable to Schlumberger (2)	Earnings per Share of Schlumberger (2)	
				Basic	Diluted
Quarters 2018					
First	\$ 7,829	\$ 1,027	\$ 525	\$ 0.38	\$ 0.38
Second (3)	8,303	1,124	430	0.31	0.31
Third	8,504	1,180	644	0.46	0.46
Fourth (4)	8,180	1,008	538	0.39	0.39
	<u>\$ 32,815</u>	<u>\$ 4,337</u>	<u>\$ 2,138</u>	<u>\$ 1.54</u>	<u>\$ 1.53</u>
Quarters 2017					
First (5)	\$ 6,894	\$ 818	\$ 279	\$ 0.20	\$ 0.20
Second (6)	7,464	994	(74)	(0.05)	(0.05)
Third (7)	7,905	1,108	545	0.39	0.39
Fourth (8)	8,179	978	(2,255)	(1.63)	(1.63)
	<u>\$ 30,440</u>	<u>\$ 3,897</u>	<u>\$ (1,505)</u>	<u>\$ (1.08)</u>	<u>\$ (1.08)</u>

(1) Gross margin equals *Total Revenue* less *Cost of Services* and *Cost of Sales*.

(2) Amounts may not add due to rounding.

(3) Net income in the second quarter of 2018 includes after-tax and noncontrolling interest charges of \$164 million.

(4) Net income in the fourth quarter of 2018 includes after-tax and noncontrolling interest credits of \$40 million.

(5) Net income in the first quarter of 2017 includes after-tax and noncontrolling interest charges of \$68 million.

(6) Net income in the second quarter of 2017 includes after-tax and noncontrolling interest charges of \$631 million.

(7) Net income in the third quarter of 2017 includes after-tax charges of \$36 million.

(8) Net income in the fourth quarter of 2017 includes after-tax charges of \$2.923 billion.

* Mark of Schlumberger

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Schlumberger has carried out an evaluation under the supervision and with the participation of Schlumberger's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of Schlumberger's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this report, Schlumberger's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that Schlumberger files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Schlumberger's disclosure controls and procedures include controls and procedures designed so that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to its management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure. There has been no change in Schlumberger's internal control over financial reporting that occurred during the fourth quarter of 2018 that has materially affected, or is reasonably likely to materially affect, Schlumberger's internal control over financial reporting.

Item 9B. Other Information.

In 2013, Schlumberger completed the wind down of its service operations in Iran. Prior to this, certain non-US subsidiaries provided oilfield services to the National Iranian Oil Company and certain of its affiliates (“NIOC”).

Schlumberger’s residual transactions or dealings with the government of Iran during 2018 consisted of payments of taxes and other typical governmental charges. Certain non-US subsidiaries of Schlumberger maintain depository accounts at the Dubai branch of Bank Saderat Iran (“Saderat”), and at Bank Tejarat (“Tejarat”) in Tehran and in Kish for the deposit by NIOC of amounts owed to non-US subsidiaries of Schlumberger for prior services rendered in Iran and for the maintenance of such amounts previously received. One non-US subsidiary also maintained an account at Tejarat for payment of local expenses such as taxes. Schlumberger anticipates that it will discontinue dealings with Saderat and Tejarat following the receipt of all amounts owed to Schlumberger for prior services rendered in Iran.

PART III**Item 10. Directors, Executive Officers and Corporate Governance of Schlumberger.**

See “Item 1. Business – Executive Officers of Schlumberger” of this Report for Item 10 information regarding executive officers of Schlumberger. The information under the captions “Election of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance,” “Corporate Governance – Director Nominations” and “Corporate Governance – Board Committees – Audit Committee” in Schlumberger’s 2019 Proxy Statement is incorporated herein by reference.

Schlumberger has a Code of Conduct that applies to all of its directors, officers and employees, including its principal executive, financial and accounting officers, or persons performing similar functions. Schlumberger’s Code of Conduct is posted on its website at www.slb.com/about/codeofconduct.aspx. Schlumberger intends to disclose future amendments to the Code of Conduct and any grant of a waiver from a provision of the Code of Conduct requiring disclosure under applicable SEC rules at www.slb.com/about/codeofconduct.aspx.

Item 11. Executive Compensation.

The information set forth under the captions “Compensation Discussion and Analysis,” “Executive Compensation Tables and Accompanying Narrative,” “Compensation Committee Report” and “Director Compensation in Fiscal Year 2018” in Schlumberger’s 2019 Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information under the captions “Stock Ownership Information—Security Ownership by Certain Beneficial Owners,” “Stock Ownership Information—Security Ownership by Management” and “Equity Compensation Plan Information” in Schlumberger’s 2019 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information under the captions “Corporate Governance—Board Independence” and “Corporate Governance—Policies and Procedures for Approval of Related Person Transactions” in Schlumberger’s 2019 Proxy Statement is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information under the caption “Ratification of Appointment of Independent Auditors for 2019” in Schlumberger’s 2019 Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this Report:

	Page(s)
(1) Financial Statements	
Consolidated Statement of Income (Loss) for the three years ended December 31, 2018	28
Consolidated Statement of Comprehensive Income (Loss) for the three years ended December 31, 2018	29
Consolidated Balance Sheet at December 31, 2018 and 2017	30
Consolidated Statement of Cash Flows for the three years ended December 31, 2018	31
Consolidated Statement of Stockholders' Equity for the three years ended December 31, 2018	32 and 33
Notes to Consolidated Financial Statements	34 to 62
Report of Independent Registered Public Accounting Firm	64
Quarterly Results (Unaudited)	66

Financial statements of companies accounted for under the equity method and unconsolidated subsidiaries have been omitted because they do not meet the materiality tests for assets or income.

- (2) Financial Statement Schedules not required
- (3) Exhibits: See exhibits listed under Part (b) below.

(b) Exhibits

INDEX TO EXHIBITS

	Exhibit
<u>Articles of Incorporation of Schlumberger Limited (Schlumberger N.V.), as amended on April 6, 2016 (incorporated by reference to Exhibit 3.1 to Schlumberger's Current Report on Form 8-K filed on April 6, 2016)</u>	3.1
<u>Amended and Restated By-Laws of Schlumberger Limited (Schlumberger N.V.), as amended on January 19, 2017 (incorporated by reference to Exhibit 3.1 to Schlumberger's Current Report on Form 8-K filed on January 19, 2017)</u>	3.2
<u>Indenture dated as of December 3, 2013, by and among Schlumberger Investment SA, as issuer, Schlumberger Limited, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Schlumberger's Current Report on Form 8-K filed on December 3, 2013)</u>	4.1
<u>First Supplemental Indenture dated as of December 3, 2013, by and among Schlumberger Investment SA, as issuer, Schlumberger Limited, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (including form of global notes representing 3.650% Senior Notes due 2023) (incorporated by reference to Exhibit 4.2 to Schlumberger's Current Report on Form 8-K filed on December 3, 2013)</u>	4.2
<u>Schlumberger Limited Supplementary Benefit Plan, as established effective June 1, 1995 and conformed to include amendments through January 1, 2019 (*) (+)</u>	10.1
<u>Schlumberger Limited Restoration Savings Plan, as established effective June 1, 1995 and conformed to include amendments through January 1, 2019 (*) (+)</u>	10.2
<u>Schlumberger Technology Corporation Supplementary Benefit Plan, as established effective January 1, 1995 and conformed to include amendments through January 1, 2019 (*) (+)</u>	10.3
<u>Schlumberger 2001 Stock Option Plan, as amended and restated as of July 19, 2017 (*) (+)</u>	10.4
<u>Schlumberger Limited 2004 Stock and Deferral Plan for Non-Employee Directors, as amended and restated effective January 19, 2012 (incorporated by reference to Exhibit 10 to Schlumberger's Current Report on Form 8-K filed on April 11, 2012) (+)</u>	10.5
<u>Schlumberger 2005 Stock Incentive Plan, as amended and restated as of July 19, 2017 (*) (+)</u>	10.6
<u>Schlumberger 2008 Stock Incentive Plan, as amended and restated as of July 19, 2017 (*) (+)</u>	10.7
<u>Schlumberger 2010 Omnibus Stock Incentive Plan, as amended and restated as of July 19, 2017 (*) (+)</u>	10.8
<u>Cameron International Corporation Equity Incentive Plan, as amended and restated as of January 1, 2013 (incorporated by reference to Exhibit 10.16 to Schlumberger's Annual Report on Form 10-K for the year ended December 31, 2016) (+)</u>	10.9
<u>French Sub-Plan of Schlumberger 2010 Omnibus Stock Incentive Plan for Employees in France (incorporated by reference to Exhibit 10.7 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013) (+)</u>	10.10
<u>Amended and Restated French Sub Plan for Restricted Units (incorporated by reference to Appendix B of Schlumberger's Definitive Proxy Statement filed with the SEC on March 2, 2018)</u>	10.11
<u>Form of Option Agreement (Employees in France), Incentive Stock Option, under Schlumberger 2010 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.10 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013) (+)</u>	10.12
<u>Form of Option Agreement (Employees in France), Non-Qualified Stock Option, under Schlumberger 2010 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.11 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013) (+)</u>	10.13
<u>Form of Schlumberger Stock Incentive Plan Restricted Stock Unit Award Agreement for France (incorporated by reference to Exhibit 10.3 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017) (+)</u>	10.14
<u>Schlumberger 2013 Omnibus Stock Incentive Plan, as Amended and Restated as of July 19, 2017 (*) (+)</u>	10.15
<u>Form of Option Agreement, Incentive Stock Option, under Schlumberger 2013 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015) (+)</u>	10.16

	Exhibit
<u>Form of Option Agreement, Non-Qualified Stock Option, under Schlumberger 2013 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015)(+)</u>	10.17
<u>Form of Restricted Stock Unit Award Agreement under Schlumberger 2013 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015)(+)</u>	10.18
<u>Schlumberger Discounted Stock Purchase Plan, as amended and restated effective as of January 19, 2017 (incorporated by reference to Appendix C to Schlumberger's Definitive Proxy Statement on Schedule 14A filed on February 21, 2017)(+)</u>	10.19
<u>Schlumberger 2017 Omnibus Stock Incentive Plan, as Amended and Restated as of July 19, 2017 (*) (+)</u>	10.20
<u>Form of Incentive Stock Option Agreement under 2017 Schlumberger Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.6 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017)(+)</u>	10.21
<u>Form of Restricted Stock Unit Award Agreement under Schlumberger 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017)(+)</u>	10.22
<u>Form of Non-Qualified Stock Option Agreement under Schlumberger 2017 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017)(+)</u>	10.23
<u>Form of 2017 Two-Year Performance Share Unit Award Agreement under Schlumberger 2013 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017)(+)</u>	10.24
<u>Form of 2017 Three-Year Performance Share Unit Award Agreement under Schlumberger 2013 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Schlumberger's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017)(+)</u>	10.25
<u>Form of 2018 French Qualified Performance Share Unit Award Agreement under Schlumberger 2010 Omnibus Stock Incentive Plan (*) (+)</u>	10.26
<u>Addendum to Restricted Stock Unit Award Agreements, Performance Share Unit Agreements, Incentive Stock Option Agreements, and Non-Qualified Stock Option Agreements Issued Prior to July 19, 2017 (*) (+)</u>	10.27
<u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10 to Schlumberger's Current Report on Form 8-K filed on October 21, 2013)</u>	10.28
<u>Subsidiaries (*)</u>	21
<u>Consent of Independent Registered Public Accounting Firm (*)</u>	23
<u>Powers of Attorney (*)</u>	24
<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*)</u>	31.1
<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*)</u>	31.2
<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (*)</u>	32.1

	Exhibit
<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (*)</u>	32.2
<u>Mine Safety Disclosure (*)</u>	95
The following materials from Schlumberger Limited's Annual Report on Form 10-K for the year ended December 31, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statement of Income; (ii) Consolidated Statement of Comprehensive Income; (iii) Consolidated Balance Sheet; (iv) Consolidated Statement of Cash Flows; (v) Consolidated Statement of Equity and (vi) Notes to Consolidated Financial Statements. (*)	101

(*) Exhibits electronically filed with this Form 10-K. All other exhibits incorporated by reference.

(+) Management contracts or compensatory plans or arrangements.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 23, 2019

SCHLUMBERGER LIMITED

By: /s/ HOWARD GUILD
Howard Guild
Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title
<u>*</u> Paal Kibsgaard	Chairman and Chief Executive Officer (Principal Executive Officer)
<u>/s/ SIMON AYAT</u> Simon Ayat	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/s/ HOWARD GUILD</u> Howard Guild	Chief Accounting Officer (Principal Accounting Officer)
<u>*</u> Peter L.S. Currie	Director
<u>*</u> Miguel Galuccio	Director
<u>*</u> V. Maureen Kempston Darkes	Director
<u>*</u> Nikolay Kudryavtsev	Director
<u>*</u> Michael E. Marks	Director
<u>*</u> Tatiana Mitrova	Director
<u>*</u> Indra K. Nooyi	Director
<u>*</u> Lubna S. Olayan	Director
<u>*</u> Mark G. Papa	Director
<u>*</u> Leo Rafael Reif	Director
<u>*</u> Henri Seydoux	Director
<u>/s/ ALEXANDER C. JUDEN</u> *By Alexander C. Juden Attorney-in-Fact	January 23, 2019

**SCHLUMBERGER LIMITED
SUPPLEMENTARY BENEFIT PLAN**

(As Amended and Restated Effective January 1, 2018 and conformed to include amendments through January 1, 2019)

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PREAMBLE

Schlumberger Limited, a Curacao corporation (the “Company”), established an unfunded deferred compensation plan known as the Schlumberger Limited Supplementary Benefit Plan, effective as of January 1, 1981, and thereafter amended and restated such plan effective January 1, 1990. The amended and restated plan, as amended by the First Amendment thereto, is referred to herein as the “1990 Plan.” The purpose of the 1990 Plan was to restore to eligible key employees of the Company and its participating subsidiaries and affiliated companies the amount of benefits, which they are unable to receive under the Qualified Plans as a result of the Code Section 401(a)(17) Limitations, which limit the annual compensation that may be taken into account in computing benefits under the Qualified Plans, and by the Code Section 415 Limitations, which limit benefits and contributions under the Qualified Plans. Effective as of January 1, 1995, the Company amended and restated the 1990 Plan to (i) reflect the withdrawal of Schlumberger Technology Corporation and its subsidiaries as employers under the 1990 Plan, (ii) reflect that all STC Plan Benefits (as herein defined) will be paid pursuant to the Schlumberger Technology Corporation Supplementary Benefit Plan, as established effective as of January 1, 1995, and (iii) incorporate the First Amendment to the 1990 Plan (the “1995 Plan”). The Plan has been operated in compliance with Section 409A of the Internal Revenue Code and applicable U.S. Treasury authorities (“Section 409A”) and was amended and restated, effective January 1, 2008, to establish documentary compliance with Section 409A (the “2008 Plan”). Effective as of January 1, 2014, the Company amended and restated the 2008 Plan to incorporate all prior amendments thereto and to make certain conforming changes to the Plan (the “Prior Plan”).

The Plan has been further amended and restated from time to time, and effective January 1, 2018, was restated to amend the Plan with respect to the qualifying plans underlying the Plan’s restoration benefits, as well as to make certain other conforming changes.

Program A of the Plan, set forth in Article III below, is intended to qualify for the exemptions provided under Title I of ERISA for plans that are not tax-qualified and that are maintained primarily to provide deferred compensation for a select group of management or highly compensated employees. Program B of the Plan, set forth in Article IV below, is intended to qualify for the exemptions provided under Title I of ERISA for plans that are excess benefit plans.

NOW, THEREFORE, Schlumberger Limited hereby amends and restates the Prior Plan, effective as of January 1, 2018, to read as follows:

ARTICLE I DEFINITIONS AND CONSTRUCTION

1.1 Definitions. Except as otherwise indicated, the terms used in this Plan shall have the same meaning as they have under the applicable Qualified Plans. For purposes of this Plan, the following definitions shall apply:

“**Active Service**” shall have the meaning ascribed to it in the Qualified Defined Benefit Plans.

“**Actuarial Equivalent**” shall have the meaning ascribed to it in the Qualified Defined Benefit Plans.

“**Administrative Committee**” shall mean the Administrative Committee of the Schlumberger Limited Pension Plan.

“**Affiliate**” shall mean any corporation in which the shares owned or controlled directly or indirectly by Schlumberger Limited shall represent 50% or more of the voting power of the issued and outstanding capital stock of such corporation. In addition to the above, the term “Affiliate” shall include any corporation or other trade or business which, together with Schlumberger Limited, is “under common control” within the meaning of Code Section 414(b) or (c) as defined in Code Section 1563(a)(1) and modified by Code Section 415(h). Notwithstanding the foregoing, the term “Affiliate” shall not include Schlumberger Technology Corporation, a Texas corporation, or any subsidiary of Schlumberger Technology Corporation.

“**Board of Directors**” shall mean the Board of Directors of Schlumberger Limited.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“**Code Section 401(a)(17) Limitations**” shall mean the limitations imposed by Code Section 401(a)(17).

“**Code Section 415 Limitations**” shall mean the limitations imposed by Code Section 415 without regard to Code Section 415(c)(1)(B).

“**Company**” shall mean Schlumberger Limited, a Curacao corporation.

“**Employee**” shall mean any person who is employed by and carried on the payroll of an Employer and who meets the requirements for participation in a Qualified Defined Benefit Plan or Qualified Defined Contribution Plan maintained by an Employer.

“**Employer**” shall mean the Company and any Affiliate which meets the definition of an Employer in the applicable Qualified Plan.

“**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

“**Participant**” shall mean a participant in a Qualified Defined Contribution Plan or a Qualified Defined Benefit Plan of the Company or any Affiliate.

“**1990 Plan**” shall mean the Schlumberger Limited Supplementary Benefit Plan, effective as of January 1, 1981, and thereafter amended and restated effective January 1, 1990.

“**1995 Plan**” shall mean the Schlumberger Limited Supplementary Benefit Plan, effective as of January 1, 1995, as thereafter amended.

“**2008 Plan**” shall mean the Schlumberger Limited Supplementary Benefit Plan, effective as of January 1, 2008, as thereafter amended.

“**Plan**” shall mean the Schlumberger Limited Supplementary Benefit Plan, as amended and restated effective January 1, 2018 and set forth herein, and as amended from time to time.

“**Prior Plan**” shall mean the Schlumberger Limited Supplementary Benefit Plan, effective as of January 1, 2014, as thereafter amended.

“**Qualified Defined Benefit Plans**” shall mean the Schlumberger Pension Plan for US Taxpayers Employed Abroad and prior to October 15, 2016, the Schlumberger Limited Pension Plan .

“**Qualified Defined Contribution Plans**” shall mean the Schlumberger Limited Savings and Profit Sharing Plan or the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad, as applicable; provided, however, that the term “Qualified Defined Contribution Plan” shall only include the portion of (i) the Schlumberger Limited Savings and Profit Sharing Plan that provides for discretionary employer contributions and (ii) the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad that provides for discretionary employer contributions and the basic contribution and shall not include any portion of either such plan that is subject to Code Section 401(k) or 401(m).

“**Qualified Plans**” shall mean the Qualified Defined Contribution Plans and Qualified Defined Benefit Plans.

“**Spouse**” shall mean the person, if any, legally married pursuant to the laws of the State or country in which such marriage was performed to a Participant at the latest of (i) the time of the Participant’s death prior to retirement, (ii) the time of the Participant’s retirement, or (iii) the time the Participant’s benefits are to commence; provided, however, that this definition of “Spouse” shall include a same sex Spouse effective no earlier than (a) September 16, 2013, or (b) if prior to September 16, 2013, such Participant and same sex Spouse resided in a State or the District of Columbia that legally recognized their marriage, June 26, 2013 (or such later date as the Participant and his or her Spouse became residents of such State or the District of Columbia but in no event later than September 16, 2013).

“**STC Plan**” shall mean the Schlumberger Technology Corporation Supplementary Benefit Plan, as amended and restated effective January 1, 2014 and as thereafter amended from time to time.

“**STC Plan Benefit**” shall mean any benefit accrued pursuant to Section 3.3 or 4.3 of the 1990 Plan and unpaid as of January 1, 1995, to the extent calculated with reference to any Qualified Plan thereunder sponsored or contributed to by Schlumberger Technology Corporation or any subsidiary thereof and any benefit accrued under the STC Plan and unpaid as of December 31, 2017, to the extent calculated with reference to any Qualified Plan hereunder.

“Termination of Employment” shall mean “separation from service,” as defined in Section 1.409A-1(h) of the U.S. Treasury regulations, with an Employer for any reason other than a transfer between Employers.

1.2 Gender and Number. Except when otherwise indicated by the context, any masculine pronoun when used in the Plan shall refer to either male or female Participants, and the definition of any term in the singular shall also include the plural.

1.3 Severability. In the event any provision of the Plan shall be held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if the illegal or invalid provision had never been inserted, and the Company shall have the privilege and opportunity to correct and remedy questions of illegality or invalidity by amendment as provided in the Plan.

1.4 Applicable Law. To the extent not preempted by ERISA, this Plan shall be governed and construed in accordance with the laws of the State of Texas.

1.5 Plan Not an Employment Contract. The Plan is not an employment contract. The receipt of benefits under the Plan does not give to any person the right to be continued in employment by the Company or an Affiliate, and all Employees remain subject to change of salary, transfer, change of job, discipline, layoff, discharge (with or without cause), or any other change of employment status.

1.6 Source of Payment. The benefits described in this Plan are contractual obligations and liabilities of the applicable Employer to pay compensation for services in accordance with the terms hereof. All amounts paid under this Plan shall be paid in cash from the general assets of the applicable Employer. Benefits shall be reflected on the accounting records of the Employers, but shall not be construed to create, or require the creation of, a trust, custodial or escrow account. No special or separate fund need be established and no segregation of assets need be made to assure the payment of such benefits. No Participant shall have any right, title, or interest whatever in or to any investment reserves, accounts, funds or assets that the Company or the Employers may purchase, establish, or accumulate to aid in providing the benefits described in this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust or a fiduciary relationship of any kind between an Employer or the Company and a Participant or any other person. Neither a Participant nor the beneficiary of a Participant shall acquire any interest hereunder greater than that of an unsecured creditor.

1.7 Tax Withholding. The Employer may withhold from a payment any federal, state, or local taxes required by law to be withheld with respect to such payment and such sums as the Employer may reasonably estimate as necessary to cover any taxes for which the Employer may be liable and which may be assessed with regard to such payment.

ARTICLE II PARTICIPATION

A Participant entitled to benefits under the Prior Plan shall receive such benefits, together with any benefits accrued hereunder from and after January 1, 2018, pursuant to the provisions of this Plan; provided that any STC Plan Benefit accrued under the Plan prior to January 1, 2018, will be paid under the STC Plan in accordance with Section 5.5 of the Plan. An Employee who becomes eligible for participation in Program A of this Plan (as described in Section 3.2) from and after January 1, 2018, shall become a Participant in Program A of this Plan if, as of or after such date, the benefits he would otherwise receive as a result of his participation in one or more of the Qualified Plans are reduced as a result of the Code Section 401(a)(17) Limitations. An Employee who becomes eligible for participation in Program B of this Plan (as described in Section 4.2) from and after January 1, 2018 shall become a Participant in Program B of this Plan if, as of or after such date, the benefits he would otherwise receive as a result of his participation in one or more of the Qualified Plans are reduced as a result of the Code Section 415 Limitations. An Employee who becomes eligible for participation in both Program A and B of this Plan from and after January 1, 2018, and whose Qualified Plan benefits have been reduced by both the Code Section 401(a)(17) Limitations and the Code Section 415 Limitations shall participate in both Program A and B; provided, however, that nothing in this Plan shall entitle him to receive an amount that exceeds the total benefits that would have been his due under the Qualified Plans in the absence of the Code Section 401(a)(17) Limitations and the Code Section 415 Limitations.

ARTICLE III PROGRAM A: RESTORATION OF BENEFITS REDUCED BY CODE SECTION 401(a)(17)

3.1 Purpose. Code Section 401(a)(17) limits the amount of compensation that may be taken into account under the Qualified Plans. The purpose of Program A is to restore to Participants in the Qualified Plans any benefits that would have been available to them under the Qualified Plans had the Code Section 401(a)(17) Limitations not been imposed.

3.2 Eligibility. In order to participate in Program A of this Plan, an individual must (a) be a Participant in one of the Qualified Plans and (b) have experienced a reduction in the benefits he would have received from the Qualified Plan in which he is a Participant as a result of the Code Section 401(a)(17) Limitations on the amount of annual compensation that may be included in the calculation of benefits. In addition, this Program is intended solely for the participation of a select group of management or highly compensated employees, as those terms are set forth in Section 201(2) of ERISA.

3.3 Calculation of Restoration Benefit. The amount of restoration benefits payable to a Participant in Program A of this Plan with reference to each Qualified Defined Benefit Plan under which the Participant may claim benefits will be calculated in the manner described in Subsection (a). The amount of benefits payable to a Participant in Program A of this Plan with reference to each Qualified Defined Contribution Plan under which the Participant may claim benefits will be calculated in the manner described in Subsection (b).

(a) Restoration of Amounts Under Qualified Defined Benefit Plans: As of Participant's Termination of Employment the Company will calculate a benefit in an amount equal to the excess of (i) over (ii), where (i) is equal to the amount of the defined benefit which would have been payable under the Qualified Defined Benefit Plan but for the Code Section 401(a)(17) Limitations as of Participant's Termination of Employment and (ii) is equal to the amount of the benefit actually payable under the Qualified Defined Benefit Plan as of Participant's Termination of Employment, which excess is hereinafter referred to as the "Defined Benefit Restoration Benefit." The Participant shall become vested in his or her Defined Benefit Restoration Benefit upon Participant's attainment of age 50 with five years of credited Active Service. The Company shall pay a vested Defined Benefit Restoration Benefit to the Participant, or, if applicable, to his surviving Spouse, upon Participant's Termination of Employment. If Participant experiences a Termination of Employment prior to satisfying the vesting conditions described in this Section 3.3(a), Participant's Defined Benefit Restoration Benefit shall be forfeited. The Defined Benefit Restoration Benefit shall become payable as provided in Section 5.3 hereof. Effective January 1, 2018, no additional Defined Benefit Restoration Benefits will accrue.

(b) Restoration of Amounts Under Qualified Defined Contribution Plans: A benefit, hereinafter referred to as the "Defined Contribution Restoration Benefit," will be payable to Participants in Program A whose discretionary Employer profit-sharing contribution or basic contribution under a Qualified Defined Contribution Plan was reduced as a result of the Code Section 401(a)(17) Limitations. With respect to any Plan Year, the Defined Contribution Restoration Benefit shall be equal to the excess, if any, of (i) over (ii) where (i) is equal to the amount of the discretionary Employer profit-sharing contribution and basic contribution the Employer would have made under the Qualified Defined Contribution Plan for a Plan Year on behalf of the Participant, based on the Participant's compensation for that Plan Year without regard to the Code Section 401(a)(17) Limitations, and (ii) is equal to the amount of the discretionary Employer profit-sharing contribution and basic contribution that the Employer actually paid into the Qualified Defined Contribution Plan on behalf of the Participant for such Plan Year. For a Participant who also participates in the Schlumberger Limited Savings and Profit Sharing Plan, a Participant's Defined Contribution Restoration Benefit shall become fully vested upon Participant's completion of four years of Active Service (as that term is defined in the Qualified Defined Contribution Plan) or, if earlier, upon Participant's death. For a Participant who also participates in the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad, a Participant's Defined Contribution Restoration Benefit shall be fully vested at all times.

The Defined Contribution Restoration Benefit shall be treated as if it is actually invested in the applicable Qualified Defined Contribution Plan and shall be credited with gains and losses at the same time and in the same manner as amounts which are actually invested under the Qualified Defined Contribution Plan. Any investment elections made pursuant to the Qualified Defined Contribution Plan shall also apply to the Defined Contribution Restoration Benefit and shall be effective at the same time that such election is applicable to the Participant's Account under the Qualified Defined Contribution Plan. The Administrative Committee shall develop such procedures as it

deems necessary for purposes of valuing the Defined Contribution Restoration Benefits and maintaining records thereof. The Defined Contribution Restoration Benefit shall be calculated for every Plan Year until the expiration of the Plan Year during which occurs the earliest of (1) the Participant's Termination of Employment for any reason or (2) the termination of the Qualified Defined Contribution Plan under which the Participant is receiving benefits. The Defined Contribution Restoration Benefit shall become payable as provided in Section 5.2 hereof. Effective January 1, 2018, no additional Defined Contribution Restoration Benefits will accrue with respect to the Schlumberger Technology Corporation Savings and Profit Sharing Plan for US Taxpayers Employed Abroad.

ARTICLE IV
PROGRAM B: RESTORATION OF
BENEFITS REDUCED BY CODE SECTION 415

4.1 Purpose. Code Section 415 limits the amount of benefits available under a defined benefit plan and the amount of contributions permissible under a defined contribution plan. The purpose of Program B is to restore to Participants any Qualified Plan benefits that have been reduced as a result of the Code Section 415 Limitations.

4.2 Eligibility. An employee is eligible to participate in Program B of this Plan if he (a) is a Participant in one of the Qualified Plans and (b) has experienced a reduction in the amount of benefits he would have received from the Qualified Plan in which he is a Participant as a result of the Code Section 415 Limitations.

4.3 Calculation of Restoration Benefit. The amount of restoration benefits payable to a Participant in Program B of this Plan with reference to each Qualified Defined Benefit Plan under which the Participant may claim benefits will be calculated in the manner described in Subsection (a). The amount of benefits payable to a Participant in Program B of this Plan with reference to each Qualified Defined Contribution Plan under which the Participant may claim benefits will be calculated in the manner described in Subsection (b).

(a) Restoration of Amounts Under Qualified Defined Benefit Plans: When a Participant has a Termination of Employment, the Company will calculate a benefit equal to the excess of (i) over (ii), where (i) is equal to the amount of the defined benefit that would have been payable under the Qualified Defined Benefit Plan without regard to the Code Section 415 Limitations as of Participant's Termination of Employment and (ii) is equal to the amount of benefit actually payable under the Qualified Defined Benefit Plan as of Participant's Termination of Employment, which excess is hereinafter referred to as the "Section 415 Defined Benefit Restoration Benefit." The Company shall pay a Section 415 Defined Benefit Restoration Benefit to the Participant or, if applicable, to Participant's surviving Spouse. The Participant shall become vested in his Section 415 Defined Benefit Restoration Benefit upon Participant's attainment of age 50 with five years of credited Active Service. If Participant experiences a Termination of Employment prior to satisfying the vesting conditions described in this Section 4.3(a), Participant's Section 415 Defined Benefit Restoration Benefit shall be forfeited. The Section 415 Defined Benefit Restoration Benefit shall become payable as provided in Section 5.3 hereof. Effective January 1, 2018, no additional Section 415 Defined Benefit Restoration Benefits will accrue.

(b) Restoration of Amounts Under Qualified Defined Contribution Plans: A benefit, hereinafter referred to as the “Section 415 Defined Contribution Restoration Benefit,” will be payable to Participants in Program B whose Qualified Defined Contribution Plan benefits were reduced as a result of the Code Section 415 Limitations. With respect to any Plan Year, the Section 415 Defined Contribution Restoration Benefit shall be payable in an amount equal to the excess, if any, of (i) over (ii), where (i) is equal to the amount of the discretionary Employer profit-sharing contribution and basic contribution the Employer would have made under the Qualified Defined Contribution Plan for a Plan Year without regard to the Code Section 415 Limitations and (ii) is equal to the amount of the discretionary Employer profit-sharing contribution and basic contribution that the Employer actually paid into the Qualified Defined Contribution Plan on behalf of the Participant for such Plan Year. For a Participant who also participates in the Schlumberger Limited Savings and Profit Sharing Plan, a Participant’s Section 415 Defined Contribution Restoration Benefit shall become fully vested upon Participant’s completion of four years of Active Service (as that term is defined in the Qualified Defined Contribution Plan) or, if earlier, upon Participant’s death. For a Participant who also participates in the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad, a Participant’s Section 415 Defined Contribution Restoration Benefit shall be fully vested at all times.

The Section 415 Defined Contribution Restoration Benefit shall be treated as if it is actually invested in the applicable Qualified Defined Contribution Plan and shall be credited with gains and losses at the same time and in the same manner as amounts which are actually invested under the Qualified Defined Contribution Plan. Any investment elections made pursuant to the Qualified Defined Contribution Plan shall also apply to the Section 415 Defined Contribution Restoration Benefit and shall be effective at the same time that such election is applicable to the Participant’s Account under the Qualified Defined Contribution Plan. The Administrative Committee shall develop such procedures as it deems necessary for purposes of valuing the Section 415 Defined Contribution Restoration Benefits and maintaining records thereof. The Section 415 Defined Contribution Restoration Benefit shall be calculated for every Plan Year until the expiration of the Plan Year during which occurs the earliest of (1) the Participant’s Termination of Employment for any reason or (2) the termination of the Qualified Defined Contribution Plan under which the Participant is receiving benefits. The Section 415 Defined Contribution Restoration Benefit shall become payable as provided in Section 5.2 hereof. Effective January 1, 2018, no additional Section 415 Defined Contribution Restoration Benefits will accrue with respect to the Schlumberger Technology Corporation Savings and Profit Sharing Plan for US Taxpayers Employed Abroad.

ARTICLE V VESTING AND FORM OF PAYMENT

5.1 Vesting. A Participant shall become vested in the benefits payable in accordance with Sections 3.3 and 4.3 hereof. Notwithstanding the foregoing, a Participant (and his survivor or Beneficiary) shall have no right to a benefit under this Plan if the Administrative Committee determines that the Participant engaged in a dishonest act injurious to the finances or reputation

of the Company or any of its Affiliates or that the Participant has violated the Patent and Confidential Information Agreement between the Participant and the Company or any of its Affiliates or any other confidential arrangement involving the Company or any of its Affiliates to which he is a party or by which he is bound.

5.2 Defined Contribution Plan Benefits. The Defined Contribution Restoration Benefit and the Section 415 Defined Contribution Restoration Benefit (the "Defined Contribution Benefits") shall be payable in the form of (i) a lump sum or (ii) at the Participant's election, in five or ten annual installment payments.

(a) Lump Sum Payment. Subject to Section 6.5, a lump-sum payment shall be made during the first calendar quarter of the Plan Year following the Participant's Termination of Employment. In the event of the death of the Participant prior to full payment of his Defined Contribution Benefits, any such unpaid benefits shall be paid in a lump sum to the person or persons who are designated as the Participant's Beneficiaries under the applicable Qualified Defined Contribution Plan (with the valid consent of the Participant's Spouse where required under the Qualified Defined Contribution Plan). Any such Defined Contribution Benefits which are paid as a result of the death of the Participant shall be paid in a lump sum during the first calendar quarter of the Plan Year following the Plan Year in which the Participant's death occurs.

(b) Installment Payments. Subject to the rules established by the Administrative Committee, the Participant may file a distribution election, directing his Defined Contribution Benefits to be distributed in annual installment payments over five or ten years. Such distribution election must be made on the form supplied by the Administrative Committee for that purpose. With respect to Defined Contribution Benefits earned prior to January 1, 2016, the Participant may elect to have his Defined Contribution Benefits distributed in annual installments; *provided, however*, that any such election shall not take effect until at least 12 months after the election was made and the first annual installment shall not be payable prior to the date five years following the first day of the Plan Year following Participant's Termination of Employment. With respect to Defined Contribution Benefits earned on or after January 1, 2016, the Participant may elect to have his Defined Contribution Benefits distributed in annual installments and subject to Section 6.5, the first annual installment shall be payable during the first calendar quarter of the Plan Year following the Participant's Termination of Employment.

(c) Change of Form or Timing of Benefit Payments. A Participant may file a subsequent distribution election for his Defined Contribution Benefits no later than 12 months prior to the date that he or she would have otherwise received (or would have commenced to receive) distribution of his Defined Contribution Benefits, to change the timing and form of payment of the distribution to a time and form available under the Plan; *provided, however*, that the payment, or first payment in the case of an installment payment, under the subsequent distribution election shall be deferred to a date that is at least five years after the date the Participant would have received his distribution of Defined Contribution Benefits under his prior election. Such subsequent distribution election is subject to the rules established by the Administrative Committee and must be made on the form supplied by the Administrative Committee for that purpose. The

requirement in this Section 5.2(c) that the first payment with respect to which any election thereunder applies must be deferred for at least five years shall not apply to a payment involving the Participant's death.

5.3 Defined Benefit Plan Benefits. Subject to Section 6.5, the vested Defined Benefit Restoration Benefit and the vested Section 415 Defined Benefit Restoration Benefit (the "Defined Benefits") shall be payable in the form of an annuity to commence on the first day of the month following the later of (i) the Participant's Termination of Employment and (ii) the earliest of (A) Participant's attainment of age 55 (or, with respect to a Participant's vested Defined Benefits that relate to benefits accrued under the Schlumberger Pension Plan for US Taxpayers Employed Abroad after December 31, 2009, age 60), (B) the Participant's attainment of age 50 with 20 years of credited Active Service or (C) Participant's death. If Participant is unmarried on the date of his Termination of Employment, the Defined Benefits shall be paid in the form of a single life annuity. If Participant is married on the date of his Termination of Employment, Participant's benefit shall be paid in the form of one of the following Actuarially Equivalent annuity forms elected by Participant no later than his Termination of Employment: 50%, 75% or 100% joint and survivor annuity with Participant's surviving Spouse. If a married Participant has not elected a form of joint and survivor annuity as of the date of his Termination of Employment, his benefit shall automatically be paid in the form of a 50% joint and survivor annuity with Participant's surviving Spouse. In the event of the death of a Participant prior to commencement of his Defined Benefits or after commencement of such benefits, but prior to final satisfaction of all such amounts under this Plan, the Defined Benefits shall be paid to Participant's surviving Spouse, if applicable, in accordance with the form of joint and survivor annuity benefits elected by the Participant.

5.4 Non-Duplication of Benefits. The purpose of this Plan is to restore certain benefits which would otherwise be lost under the Qualified Plans. The benefits payable under this Plan shall be coordinated to ensure that benefit reductions attributable to the Code Section 401(a)(17) Limitations and the Code Section 415 Limitations are calculated to prevent duplication of benefits under this Plan. As pension payment amounts are adjusted annually under the Qualified Defined Benefit Plans to take into account cost of living adjustments prescribed by the Secretary of Treasury, the amount of the Section 415 Defined Benefit Restoration Benefit shall be adjusted annually to reflect such changes.

5.5 STC Plan Benefits. Notwithstanding any provisions of this Plan, the Prior Plan, the 2008 Plan, the 1990 Plan and the 1995 Plan to the contrary, all STC Plan Benefits otherwise payable pursuant thereto shall not be so paid, but shall be payable instead pursuant to the STC Plan. To the extent that any STC Plan Benefits are paid pursuant to this Plan, such benefits shall be deemed for all purposes to have been paid pursuant to the terms of the STC Plan. Notwithstanding any provision herein to the contrary, this Plan shall be administered to prevent duplication of any benefits paid under the STC Plan.

ARTICLE VI ADMINISTRATION

6.1 Administration. The Plan shall be administered, construed and interpreted by the Administrative Committee. The determinations by the Administrative Committee as to any disputed questions arising under the Plan, including questions concerning the Employees who are eligible to be Participants in the Plan and the amounts of their benefits under the Plan, and the construction and interpretation by the Administrative Committee of any provision of the Plan, shall be final, conclusive and binding upon all persons including Participants, their Beneficiaries and survivors, the Company, its stockholders and Employees, and the Employers. A member of the Administrative Committee who is also a Participant in the Plan must abstain from voting on any matter relating specifically to his own benefits under the Plan. The Administrative Committee shall have the authority to amend the Plan to comply with any legislative change, including any regulations promulgated pursuant to a legislative change, or to make discretionary changes, provided that such amendment does not result in any significant increase in cost of maintaining the Plan or change the underlying benefits of the Plan.

6.2 Expenses. The expenses of administering the Plan shall be borne by the Company.

6.3 Indemnification. The members of the Administrative Committee and its agents shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability, or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit, or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with the Company's written approval) or paid by them in satisfaction of a judgment in any such action, suit, or proceeding. The foregoing provisions shall not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

6.4 409A Compliance. It is intended that the provisions of this Plan satisfy the requirements of Section 409A and that the Plan be construed and operated in a manner consistent with such requirements to the extent applicable. In accordance with Section 409A, an entitlement to a series of payments under this Plan is to be treated as an entitlement to a series of separate payments. Notwithstanding any provision of this Plan to the contrary, participation in this Plan constitutes acknowledgement and agreement by each Participant that the Company and its employees, officers, directors and Affiliates shall not be liable for, and nothing provided or contained in this Plan will be construed to obligate or cause the Company and/or its employees, officers, directors and Affiliates to be liable for, any tax, interest or penalties imposed on a Participant related to or arising with respect to any violation of Section 409A.

6.5 Specified Employees. If the Participant is a "specified employee," as such term is defined and determined below in this Section 6.5, any payments payable as a result of the Participant's Termination of Employment (other than death) shall not be payable before the earlier of (i) the date that is six months after the Participant's Termination of Employment, (ii) the date of the Participant's death, or (iii) the date that otherwise complies with the requirements of Section 409A. A Participant shall be a "specified employee" for the twelve-month period

beginning on April 1 of a year if the Participant is a “key employee” as defined in Section 416(i) of the Internal Revenue Code (without regard to Section 416(i)(5) and further described below) as of December 31 of the preceding year or using such dates as designated by the Administrative Committee in accordance with Section 409A and in a manner that is consistent with respect to all of the Company’s nonqualified deferred compensation plans. For purposes of determining the identity of specified employees, the Administrative Committee may establish procedures as it deems appropriate in accordance with Section 409A. A “key employee” is an employee who is (1) one of the top 50 highly paid officers of the Company having an annual income greater than \$175,000 in 2018 (with such amount annually adjusted in accordance with Code Section 415(d) for calendar years thereafter); (2) a 5-percent owner of the Company, or (3) is a 1-percent owner of the Company having an annual compensation from the employer of more than \$150,000.

6.6 Non-Alienation of Benefits. Except by mutual agreement between the Company and the Participant, any benefit payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, whether voluntary, involuntary, by operation of law or otherwise, and any attempt at such shall be void, and any such benefit shall not in any way be subject to the debts, contract, liabilities, engagements, or torts of the person who shall be entitled to such to such benefit, nor shall it be subject to attachment or legal process for or against such person.

ARTICLE VII MERGER, AMENDMENT AND TERMINATION

7.1 Merger, Consolidation or Acquisition. In the event of a merger, consolidation or acquisition where an Employer is not the surviving corporation, unless the successor or acquiring corporation shall elect to continue and carry on the Plan, this Plan shall terminate with respect to such Employer, and no additional benefits shall accrue for the Employees of such Employer. Unpaid vested benefits which have been accrued up to the date of the merger, consolidation or acquisition shall be paid as scheduled unless the successor or acquiring corporation elects to accelerate payment.

7.2 Amendment and Termination. The Board of Directors may amend, modify, or terminate the Plan in whole or in part at any time. In the event of a termination of the Plan pursuant to this Section, unpaid vested benefits shall continue to be an obligation of the Company or other applicable Employer and shall be paid as scheduled or at such other time as may be permitted upon a plan termination pursuant to Section 409A.

7.3 Participating Affiliates. Any Affiliate that meets the definition of a Participating Affiliate or an Employer under a Qualified Plan and that has any Employees whose benefits under such Qualified Plan are affected by the Code Section 401(a)(17) Limitations or the Code Section 415 Limitations shall be deemed to have adopted this Plan for the benefit of such eligible Employees. Such Affiliate shall be bound as an Employer by all the terms, provisions, conditions, and limitations of the Plan and shall compile and submit all information required by the Company with reference to its Employees who are eligible for participation in the Plan.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officers in a number of copies, each of which shall be deemed an original but all of which shall constitute one and the same instrument, this eleventh day of January, 2019 but effective as of the first day of January, 2018.

SCHLUMBERGER LIMITED

By: /s/ Alexander C. Juden
Alexander C. Juden
Secretary and General Counsel

**SCHLUMBERGER LIMITED
RESTORATION SAVINGS PLAN**

(As established effective June 1, 1995 and
conformed to include amendments through January 1, 2019)

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ARTICLE I

DEFINITIONS

1.01 “Account” shall mean the account maintained on behalf of each Participant or Former Participant which reflects the Participant’s or Former Participant’s Elective Deferrals, Matching Contributions, if any, and Interest.

1.02 “Administrative Committee” shall mean the Administrative Committee of the Schlumberger Limited Pension Plan.

1.03 “Affiliate” shall mean any corporation in which the shares owned or controlled directly or indirectly by Schlumberger Limited shall represent eighty percent (80%) or more of the voting power of the issued and outstanding capital stock of such corporation. Affiliate shall also include any corporation or other trade or business which, together with Schlumberger Limited, is “under common control” as determined in accordance with Section 414(b) or (c) of the Code, as may be modified by Section 415(h) of the Code.

1.04 “Base Compensation” shall mean Compensation, excluding any bonus or incentive payment.

1.05 “Beneficiary” shall mean the individual designated by a Participant or Former Participant in accordance with Section 3.3 who is entitled to benefits under the Plan in the event of a Participant’s or Former Participant’s death.

1.06 “Board of Directors” shall mean the Board of Directors of Schlumberger Limited.

1.07 “Change in Control” and “409A Change in Control” shall have the meaning ascribed to it in Section 8.01.

1.08 “Code” shall mean the Internal Revenue Code of 1986, as may be amended.

1.09 “Compensation” shall mean the aggregate amount of compensation paid by the Employer or an Affiliate to an Employee during a calendar year, including normal salary, wages, overtime compensation, commissions, bonuses and salary deferral amounts under Section 401(k) of the Code, if any, and excluding:

- (a) compensation for employment during any period in which an individual is not an Employee;
- (b) any special payment of compensation, including but not limited to, income arising pursuant to the exercise of a stock option, field meal allowance, early retirement payments, severance payments, pay in lieu of vacation, tuition reimbursement, moving allowances;
- (c) payment by the Employer on behalf of the Participant to this or any other qualified or non-qualified pension, profit sharing, savings or other employee benefit plan.

1.10 “Disability” or “Disabled” means (A) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (B) the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company or any Affiliate.

1.11 “Elective Deferrals” shall mean the amount of Excess Compensation an Eligible Employee elects to defer in accordance with Section 4.01 of the Plan.

1.12 “Eligible Employee” shall mean an Employee who is on a U.S. based payroll or is seconded by an Employer to a foreign country and is on the payroll of Schlumberger Resources, Inc.

1.13 “Employee” shall mean an employee of the Employer who is employed by and carried on the payroll of the Employer and who is eligible to participate in (i) the Schlumberger Limited Savings and Profit Sharing Plan or (ii) the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad.

1.14 “Employer” shall mean Schlumberger Limited and any Affiliate who has adopted the Plan for the benefit of its Eligible Employees.

1.15 “Enrollment Period” shall mean the 30-day period beginning each June 1.

1.16 “Excess Compensation” shall mean the amount of Compensation paid to an Employee during a calendar year in excess of \$260,000, as such amount may be adjusted in accordance with Section 401(a)(17) of the Code.

1.17 “Former Participant” means an Employee of the Employer or an Affiliate who was a Participant and continues to have an Account under the Plan.

1.18 “Interest” shall mean the amount of interest allocated to a Participant’s Account. Such amount shall mirror the interest earnings of the relevant fund(s) under the Schlumberger Master Profit Sharing Trust, as chosen by the Participant pursuant to Section 4.03A.

1.19 “Matching Contribution” shall mean the amount contributed by the Employer in accordance with Section 4.02.

1.19A “Non-Elective Contributions” shall mean the amount contributed by the Employer in accordance with Section 4.03.

1.20 “Participant” shall mean an Eligible Employee who meets the eligibility requirements of Section 2.02 and has commenced, but not terminated, participation in the Plan in accordance with the provisions of Article III of the Plan.

1.21 “Plan” shall mean the Schlumberger Limited Restoration Savings Plan as set forth herein and as may be amended.

1.22 “Plan Year” shall mean the calendar year.

1.23 “Qualified Defined Benefit Plans” shall mean the Schlumberger Limited Pension Plan, the Schlumberger Technology Corporation Pension Plan and the Schlumberger Pension Plan for US Taxpayers Employed Abroad.

1.24 “Spouse” shall mean the person, if any, legally married pursuant to the laws of the State or country in which such marriage was performed to a Participant at the latest of (i) the time of the Participant’s death prior to retirement, (ii) the time of the Participant’s retirement, or (iii) the time the Participant’s benefits are to commence; provided, however, that this definition of “Spouse” shall include a same sex Spouse effective no earlier than (a) September 16, 2013, or (b) if prior to September 16, 2013, such Participant and same sex Spouse resided in a State or the District of Columbia that legally recognized their marriage, June 26, 2013 (or such later date as the Participant and his or her Spouse became residents of such State or the District of Columbia but in no event later than September 16, 2013).

1.25 “Termination of Employment” shall mean “separation from service,” as defined in Section 1.409A-1(h) of the U.S. Treasury regulations, with an Employer for any reason other than a transfer between Employers.

1.25A “Transfer Date” shall mean the date a Transfer Employee meets the requirements to become an Eligible Employee.

1.25B “Transfer Employee” shall mean an individual who is an employee compensated on a non-U.S. payroll of an Employer or an Affiliate and transfers into a position that qualifies him or her as an Eligible Employee.

1.26 “Trust” shall mean the Schlumberger Executive Deferred Compensation Trust, a grantor trust.

1.27 “Vested” shall mean non-forfeitable.

Unless the context of the document clearly provides otherwise, all masculine pronouns when used in the Plan shall be deemed to include the feminine gender and any feminine pronouns shall be deemed to include the masculine gender.

ARTICLE II

ELIGIBILITY

2.01 **Employer Determination.** Each year, prior to the last day of the Enrollment Period, the Employer shall determine those Eligible Employees who may participate in the Plan during the subsequent Plan Year. Such determination shall be made in accordance with the requirements set forth in Section 2.02. The Employer may also designate Employees who are newly hired or are transferred to the Employer (each, an “Initial Eligibility Event”) as Eligible Employees regardless of the timing of such Initial Eligibility Event.

2.02 **Eligibility Requirements.** An Eligible Employee may participate in the Plan if such Eligible Employee is projected to have Excess Compensation in the subsequent Plan Year. In determining whether an Eligible Employee is projected to have Excess Compensation, the Employer shall look to the Eligible Employee’s Base Compensation for the then current calendar year and the maximum projected bonus potential payable in the first quarter of the subsequent Plan Year based on the Employee’s current grade and salary level. If the sum of the Eligible Employee’s Base Compensation and the maximum projected bonus potential exceeds the limitation set forth in Section 401(a)(17) of the Code, the Employee is eligible to participate in the Plan during the subsequent Plan Year.

Subject to Section 4.01, an Employee initially designated as an Eligible Employee during a Plan Year who is projected to have Excess Compensation during such Plan Year may elect to defer Base Compensation that is also Excess Compensation. Such election shall remain in effect until the first day of the Plan Year following the end of the next Enrollment Period to occur after the Employee’s designation as an Eligible Employee.

The Plan is intended to qualify for the exemptions provided under Title I of the Employee Retirement Income Security Act of 1974 for plans that are not tax-qualified and that are maintained primarily to provide deferred compensation for a select group of management or highly compensated employees.

ARTICLE III

PARTICIPATION

3.01 **Commencement of Participation.** During each Enrollment Period, an Eligible Employee who meets the requirements of Section 2.02 may elect to participate in the Plan by completing the necessary deferral election requirements during the Enrollment Period.

In order to become effective, an Eligible Employee's deferral election must be completed on or before the last day of the Enrollment Period. No elections shall be accepted after the Enrollment Period ends.

An Eligible Employee who elects to participate within an Enrollment Period shall become a Participant on the first day of the next following Plan Year.

Notwithstanding the above, and subject to Section 4.01, an Employee initially designated as an Eligible Employee during a Plan Year may make a deferral election within 30 days following the date such Employee is initially designated as an Eligible Employee. Such election shall remain in effect until the first day of the Plan Year following the next Enrollment Period.

Notwithstanding the foregoing, and subject to Section 4.03, Transfer Employees may commence participation in the Plan in the year in which the Transfer Date occurs regardless of any election to defer Compensation.

3.02 **Cessation of Participation.** A Participant shall cease to be a Participant as of the earliest of (i) the date on which the Plan terminates in a manner consistent with Section 409A; (ii) the date on which the Participant is no longer an Eligible Employee; (iii) the first day of any Plan Year in which the Participant fails to meet the eligibility requirements of Section 2.02; or (iv) the first day of any Plan Year in which the Participant does not elect to participate or fails to enroll within the applicable Enrollment Period.

A Participant who ceases to be a Participant in accordance with (ii), (iii) or (iv) of the preceding paragraph shall become a Former Participant if such Participant retains an Account under the Plan.

3.03 **Beneficiary Designation.** Subject to the requirements of this Section 3.03, a Participant or Former Participant may designate, in writing, a Beneficiary who is entitled to receive the benefits hereunder in the event of the Participant's or Former Participant's death.

The Beneficiary of a Participant or Former Participant who is married is automatically the Participant's or Former Participant's Spouse. A married Participant or Former Participant may designate a Beneficiary other than the Spouse only if such Spouse consents, in writing, to such designation. In order to be effective, such spousal consent must (i) acknowledge the effect of waiving the benefit such Spouse is otherwise entitled to receive; (ii) consent to the designated Beneficiary; (iii) acknowledge that the Beneficiary designation is not valid unless the Spouse agrees to such designation and (iv) be witnessed by a notary public or authorized Plan representative.

A Participant or Former Participant who is not married may designate any individual or person as Beneficiary.

A Beneficiary designation shall only become effective upon receipt by the Employer. Any Beneficiary designation filed with the Employer shall supersede any prior designation on file upon receipt by the Employer.

In the absence of any Beneficiary designation, payments upon the death of the Participant or Former Participant shall be made to the first named Beneficiary or class of Beneficiaries, of the following successive Beneficiaries who survive the Participant or Former Participant: (i) the surviving Spouse, if any; (ii) one share to each child of the Participant or Former Participant, whether or not the child is then living, except that the share of a deceased child of the Participant or Former Participant shall be divided, per stirpes, among the then living descendants of such deceased child; (iii) father and mother, equally, or to the survivor; (iv) surviving brothers and sisters, equally; (v) a duly appointed executor or administrator of the Participant's or Former Participant's estate. For purposes of this paragraph, "child" "children" or "descendants" shall include legally adopted children.

ARTICLE IV

CONTRIBUTIONS

4.01 **Elective Deferral Amounts.** Effective for Elective Deferrals occurring after the June 2012 Enrollment Period, an Eligible Employee may irrevocably elect to defer, in any whole percentage, an amount from 1% to 50% of such Eligible Employee's Excess Compensation.

A Participant's Elective Deferral shall go into effect as of the first payroll period in which such Participant receives Excess Compensation and shall remain in effect throughout the Plan Year. A Participant may increase or decrease an Elective Deferral only during the Enrollment Period with respect to Elective Deferrals for the next following Plan Year.

Elective Deferrals shall be paid to the Trust as soon as practicable following the payroll period in which such amount would have been payable to the Participant in cash, but for such Participant's election to defer.

An Employee who becomes an Eligible Employee on or prior to the last day of the Enrollment Period may also make an election to defer, up to the limits set forth above, Base Compensation that is also Excess Compensation for the remainder of the Plan Year. An Employee who becomes an Eligible Employee after the last day of the Enrollment Period may make an election to defer, up to the limits set forth above: (i) Base Compensation that is also Excess Compensation earned for the remainder of the Plan Year and (ii) Base Compensation that is also Excess Compensation earned in the next following Plan Year. For purposes of clarity, an Employee's deferral election shall remain in effect until the first day of the Plan Year following the next Enrollment Period to occur after the Employee's designation as an Eligible Employee.

4.02 **Matching Contributions.** Each year the Employer shall determine the Matching Contribution.

Effective January 1, 2013, for Participants who were hired prior to October 1, 2004 and for Participants who did not elect to cease participation in the Qualified Defined Benefit Plans effective January 1, 2005, the Matching Contribution shall be equal to 50% of the first 6% of each participant's Elective Deferrals made during the Plan Year. Such contributions shall be made by the Employer as soon as administratively practicable following each payroll period.

Effective January 1, 2013, for Participants who were hired on or after October 1, 2004 and for Participants who elected to cease participation in the Qualified Defined Benefit Plans effective January 1, 2005, the Matching Contribution shall be equal to 100% of the first 6% of each participant's Elective Deferrals made during the Plan Year. Such contributions shall be made by the Employer as soon as administratively practicable following each payroll period.

4.03 **Non-Elective Contributions.** Effective January 1, 2018, for Transfer Employees who are paid an annual incentive bonus from the U.S. payroll of an Employer after the Transfer Date and in the same calendar year as the Transfer Date, a Non-Elective Contribution shall be made equal to the Matching Contribution that would have been made had the Transfer Employee elected to defer 6% of the portion of such annual incentive bonus that would constitute Excess Compensation. Such contributions shall be made by the Employer as soon as administratively practicable following the payroll period in which the applicable annual incentive bonus is paid.

4.03A **Interest Options.** In accordance with procedures established by the Administrative Committee, each Participant may designate the specific fund(s) under the Schlumberger Master Profit Sharing Trust with respect to which his Account shall be deemed to be invested. The Participant may choose from the following funds, which are mirrored by investment funds that are actually maintained under the Schlumberger Master Profit Sharing Trust: the Short-term Fixed Income Fund; the Intermediate-term Fixed Income Fund; the US Equity Fund, and the Global Equity Fund. The Participant may designate, in 1% increments, the amount to be invested in each fund. If a Participant fails to make a proper designation, then his Account shall be deemed invested in the Short-term Fixed Income Fund. A Participant may change such designation with respect to future Matching Contributions and Elective Deferrals, as well as with respect to amounts already credited to his Account, *provided* such change(s) are made in accordance with the procedures established by the Administrative Committee. The Administrative Committee shall determine from time to time each of the funds made available under this Plan and may change any such determinations at any time. Nothing herein shall obligate the Company to invest any part of its assets in any of the funds.

ARTICLE V

ALLOCATION OF CONTRIBUTIONS AND INTEREST

5.01 **Allocation of Elective Deferrals.** As of each pay period, the Employer shall allocate the Elective Deferrals made during such pay period to a Participant's Account.

5.02 **Allocation of Matching Contributions.** As of each pay period, the Employer shall allocate the Matching Contributions, if any, among the Accounts of Participants or Former Participants who made Elective Deferrals during the such pay period.

5.02A **Allocation of Non-Elective Contributions.** As of the pay period to which the contributions relate, the Employer shall allocate the Non-Elective Contributions, if any, among the Accounts of Transfer Employees during such pay period.

5.03 **Allocation of Interest.** Interest shall be allocated to a Participant's or Former Participant's Account on a daily basis. Such amount shall be allocated based on the amount then standing in such Account.

ARTICLE VI

VESTING

6.01 **Vesting.** Subject to the provisions of Section 6.02, a Participant, or Former Participant shall have a Vested right to benefits in accordance with this Section 6.01:

- (a) A Participant or Former Participant shall be 100% Vested in their Elective Deferrals, plus any Interest thereon, at all times.

A Participant or Former Participant, who is also eligible to participate in Schlumberger Limited Savings and Profit Sharing Plan, shall have a Vested right to Matching Contributions allocated to such Participant's or Former Participant's Account, plus any Interest thereon, in accordance with the following schedule:

<u>Completed Years of Service</u>	<u>Vested Percentage</u>
Less than 2 years	0%
At least 2 years but less than 3 years	33.33%
At least 3 years but less than 4 years	66.67%
4 or more years	100%

A Participant or Former Participant who is also eligible to receive a matching contribution in the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad, shall have a Vested right to Matching Contributions allocated to such Participant's or Former Participant's Account, plus any Interest thereon, in accordance with the following schedule:

<u>Completed Years of Service</u>	<u>Vested Percentage</u>
Less than 2 years	0%
At least 2 years but less than 3 years	20%
At least 3 years but less than 4 years	40%
At least 4 years but less than 5 years	60%
At least 5 years but less than 6 years	80%
6 or more years	100%

"Service" shall include any period of "Active Service" as such term is defined in the applicable qualified defined contribution plan of the Employer in which such Participant or Former Participant is a member.

Non-Elective Contributions shall be subject to the same vesting schedule as would be applicable to Matching Contributions as described above.

- (b) Notwithstanding the provisions of (a) above, a Participant or Former Participant shall become 100% Vested in the event of death, attainment of age 60, termination of the Plan or the occurrence of a Change in Control.

6.02 **Violation of Confidential Agreements.** Notwithstanding the provisions of Section 6.01, a Participant or Former Participant shall forfeit any Vested right to such Participant's or Former Participant's Account in the event it is determined by the Administrative Committee that such Participant or Former Participant has engaged in a dishonest act injurious to the finances or reputation of the Employer or any of its Affiliates or that such Participant or Former Participant has violated a Patent and Confidential Information Agreement between such individual and the Employer or any of its Affiliates or any other confidential arrangement involving the Employer or any of its Affiliates to which such individual is a party or by which such individual is bound.

6.03 **Right to Account in the Event of Bankruptcy.** Notwithstanding anything to the contrary contained herein, in the event the Employer is determined to be insolvent or is subject to a pending proceeding as a debtor under the United States Bankruptcy Code, a Vested Participant or Vested Former Participant shall have the same standing as any other general creditor of the Employer and shall be entitled to recover any benefits then standing in such Participant's or Former Participant's Vested Account only to the extent such amount is made available to such individual in accordance with the bankruptcy proceedings as determined by the federal courts. The Employer will be considered "insolvent" for purposes of the Plan if the Employer is unable to pay its debts as they become due.

ARTICLE VII

FORM AND TIMING OF PAYMENT

7.01 **Form of Payment.** Payment of a Participant's or Former Participant's Account shall be made in the form of (i) a lump sum or (ii) at the Participant's election in five or ten annual installments.

7.02 **Timing of Benefit Payment.**

- (a) **Lump Sum Payment.** Subject to Section 10.07, a lump-sum payment shall be made as soon as practicable following the close of the calendar quarter immediately following a Participant's or Former Participant's death, Termination of Employment or Disability, whichever occurs first. In the event of the death of the Participant prior to full payment of his Account, any such unpaid benefits shall be paid in a lump sum to the person or persons who are designated as the Participant's Beneficiaries.
- (b) **Installment Payments.** Subject to the rules established by the Administrative Committee, the Participant may file a distribution election, directing his Account to be distributed in annual installment payments over five or ten years in the event of his Termination of Employment or Disability. Such distribution election must be made on the form supplied by the Administrative Committee for that purpose. With respect to amounts in the Participant's Account earned prior to January 1, 2016, the Participant may elect to have such amounts distributed in annual installments; provided, however, that any such election shall not take effect until at least 12 months after the election was made and the first annual installment shall not be payable prior to the date five years following the first day of the Plan Year following Participant's Termination of Employment. With respect to amounts in the Participant's Account earned on or after January 1, 2016, the Participant may elect to have such amount distributed in annual installments and subject to Section 10.07, the first annual installment shall be payable during the first calendar quarter of the Plan Year following the Participant's Termination of Employment or Disability.
- (c) **Change of Form or Timing of Benefit Payments.** A Participant may file a subsequent distribution election for his Account no later than 12 months prior to the date that he or she would have otherwise received (or would have commenced to receive) distribution of his Account, to change the timing and form of payment of the distribution to a time and form available under the Plan; provided, however, that the payment, or first payment in the case of an installment payment, under the subsequent distribution election shall be deferred to a date that is at least five years after the date the Participant would have received a distribution of his Account under his prior election. Such subsequent distribution election is subject to the rules established by the Administrative Committee and must be made on the form supplied by the Administrative Committee for that purpose. The requirement in this Section 7.02(c) that the first payment with respect to which any election thereunder applies must be deferred for at least five years shall not apply to a payment involving the Participant's death or Disability.

ARTICLE VIII

MERGER, AMENDMENT AND TERMINATION

8.01 **Merger, Consolidation or Acquisition.** In the event of a merger, consolidation or acquisition where the Employer is not the surviving corporation and which also constitutes a “change in control event” within the meaning of U.S. Treasury Regulation Section 1.409A-3(i)(5) (a “409A Change in Control”) any amount standing in a Vested Account shall be paid within 30 days following a 409A Change in Control.

For purposes of the Plan, Change in Control means the occurrence of any one of the following events:

- (a) A “change in the ownership of the Company” which will occur on the date that any one person, or more than one person acting as a group within the meaning of section 409A of the Code, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company. However, if any one person or more than one person acting as a group, is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a “change in the ownership of the Company” (or to cause a “change in the effective control of the Company” within the meaning of paragraph (b) below). Further, an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, that for purposes of this Section 8.01(a), the following acquisitions of Company stock will not constitute a Change of Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or an Affiliate (as defined below), (B) any acquisition directly from the Company or (C) any acquisition by the Company. This paragraph (a) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction.
- (b) A “change in the effective control of the Company” which will occur on the date that either:
 - (i) any one person, or more than one person acting as a group within the meaning of section 409A of the Code, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of the Company (not considering stock owned by such person or group prior to such twelve (12) month period) (i.e., such person or group must acquire within a twelve (12) month period stock possessing thirty percent (30%) of the total voting power of the stock of the Company) except for (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or an Affiliate (as defined below), (B) any acquisition directly from the Company or (C) any acquisition by the Company; or

- (ii) a majority of the members of the Board are replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

For purposes of a “change in the effective control of the Company,” if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this paragraph (b), the acquisition of additional control of the Company by the same person or persons is not considered a “change in the effective control of the Company,” or to cause a “change in the ownership of the Company” within the meaning of paragraph (a) of this Section.

- (c) A “change in the ownership of a substantial portion of the Company’s assets” which will occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to section 409A of the Code, will not constitute a Change in Control.

For purposes of this Section, the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided that, stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option. The term “Affiliate” for purposes of this Section means a corporation that is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) that includes the Company, any trade or business (whether or not incorporated) that is in common control (as defined in Section 414(c) of the Code) with the Company, or any entity that is a member of the same affiliated service group (as defined in Section 414(m) of the Code) as the Company.

8.02 **Amendment and Termination.** The Board of Directors may amend, modify or terminate the Plan in whole or in part at any time, provided that any plan termination shall only occur in accordance with U.S. Treasury Regulations Section 1.409A-3(j)(4)(ix).

ARTICLE IX

ADMINISTRATION

9.01 **Administration.** The Plan shall be administered, construed and interpreted by the Administrative Committee. Any determination made by the Administrative Committee, including any determination as to eligibility, the amount of benefits or the interpretation of any Plan provision, shall be conclusive and binding on all persons, including a Participant, a Former Participant, a Beneficiary, the Employer, an Affiliate or an Employee. A member of the Administrative Committee who is also a Participant or Former Participant in the Plan must abstain from voting on any matter relating specifically to such Participant's or Former Participant's own Account under the Plan. The Administrative Committee shall have the authority to amend the Plan to comply with any legislative change, including any regulations promulgated pursuant to a legislative change, or to make discretionary changes, provided that such amendment does not result in any significant increase in cost of maintaining the Plan or change the underlying benefits of the Plan.

9.02 **Expenses.** Expenses of the Plan may be paid by the Trust unless otherwise paid by the Employer.

9.03 **Indemnification.** The members of the Administrative Committee, or any agent appointed by said committee, shall be indemnified and held harmless by the Employer against and from any and all losses, cost, liability, or expense that may be imposed upon or reasonably incurred by such persons in connection with or resulting from any claim, action, suit or proceeding to which any such person may be party by their reason to act or not act under the Plan and against and from any and all amounts paid by such persons in settlement (with the Employer's written approval) or paid by such persons in satisfaction of a judgment in any such action, suit or proceeding. The provisions of this Section 9.03 shall not apply to any person if such loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

9.04 **Non-Alienation of Benefits.** Except as provided in Section 6.03, or by mutual agreement between the Employer and any Participant or Former Participant, benefits payable under the Plan shall not be subject, in any manner, to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, whether voluntary or involuntary, by operation of law or otherwise, and any attempt at such shall be void; and further provided, that any such benefit shall not in any way be subject to the debts, contract, liabilities, engagements or torts of the person who shall be entitled to such benefit, nor shall it be subject to attachment or legal process for or against such person.

ARTICLE X

MISCELLANEOUS

10.01 **Applicable Law.** To the extent not preempted by ERISA, the Plan shall be governed and construed in accordance with the laws of the State of Texas.

10.02 **Plan not an Employment Contract.** The Plan is not, nor shall it be construed to be, an employment contract between the Employer or an Affiliate and an Employee. The receipt of benefits hereunder does not give any person the right to be continued in the employ of the Employer or an Affiliate, and all Employees remain subject to change of salary, transfer, change of job, discipline, layoff, discharge (with or without cause) or any other change of employment status.

10.03 **Source of Payment.** The benefits payable under the Plan are an obligation and liability of the applicable Employer. Amounts paid under the Plan shall be paid in cash from the Trust, but only to the extent the amount then standing in the Trust and allocated to a Participant's or Former Participant's Account has been paid to the Trust. Amounts not paid from the Trust shall be paid from the general assets of the applicable Employer.

No Participant, Former Participant or Beneficiary shall have any right, title or interest whatever in or to any investment reserves, accounts, funds or assets that the Employer may purchase, establish or accumulate to aid in providing the benefits described under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a fiduciary relationship of any kind between the Employer or an Affiliate and a Participant, Former Participant or Beneficiary.

A Participant, Former Participant or Beneficiary shall not acquire any interest under the Plan greater than that of an unsecured creditor.

10.04 **Tax Withholding.** The Employer shall withhold from any payment any federal, state or local taxes required by law to be withheld with respect to such payment and such sums as the Employer may reasonably estimate as necessary to cover any taxes for which the Employer may be liable and which may be assessed with regard to such payment.

10.05 **Severability.** In the event any provision of the Plan shall be held invalid or illegal, either in whole or in part, for any reason, then any such provision shall be construed and enforced as if such provisions had never been included in the Plan and the Employer shall have the right to correct or remedy any such provision by amendment to the Plan.

10.06 **409A Compliance.** It is intended that the provisions of this Plan satisfy the requirements of Code Section 409A, and that the Plan be construed and operated in a manner consistent with such requirements to the extent applicable. In accordance with Code Section 409A, an entitlement to a series of payments under this Plan is to be treated as an entitlement to a series of separate payments. Notwithstanding any provision of this Plan to the contrary, participation in this Plan constitutes acknowledgement and agreement by each Participant that the Company and its employees, officers, directors and Affiliates shall not be liable for, and nothing provided or contained in this Plan will be construed to obligate or cause the Company and/or its employees, officers, directors and Affiliates to be liable for, any tax, interest or penalties imposed on a Participant related to or arising with respect to any violation of Code Section 409A.

10.07 **Specified Employees.** If the Participant is a “specified employee,” as such term is defined and determined as described below in this Section 10.07, any payments payable as a result of the Participant’s Termination of Employment (other than death) shall not be payable before the earlier of (i) the date that is six months after the Participant’s Termination of Employment, (ii) the date of the Participant’s death, or (iii) the date that otherwise complies with the requirements of Section 409A. A Participant shall be a “specified employee” for the twelve- month period beginning on April 1 of a year if the Participant is a “key employee” as defined in Section 416(i) of the Internal Revenue Code (without regard to Section 416(i)(5) and further described below) as of December 31 of the preceding year or using such dates as designated by the Administrative Committee in accordance with Section 409A and in a manner that is consistent with respect to all of the Company’s nonqualified deferred compensation plans. For purposes of determining the identity of specified employees, the Administrative Committee may establish procedures as it deems appropriate in accordance with Section 409A. A “key employee” is an employee who is (1) one of the top 50 highly paid officers of the Company having an annual income greater than \$150,000 (as such amount may be adjusted in accordance with Section 416(i) of the Code); (2) a 5-percent owner of the Company, or (3) is a 1-percent owner of the Company having an annual compensation from the employer of more than \$150,000

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed by its duly authorized officers in multiple copies, each of which shall be deemed an original all of which shall constitute one and the same instrument, this eleventh day of January, 2019, but effective as of the first day of January, 2014.

SCHLUMBERGER LIMITED

By: /s/Alexander C. Juden
Alexander C. Juden
Secretary and General Counsel

SCSCHLUMBERGER TECHNOLOGY CORPORATION

SUPPLEMENTARY BENEFIT PLAN

(As Amended and Restated Effective January 1, 2018, and conformed to include amendments through January 1, 2019)

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**SCHLUMBERGER TECHNOLOGY CORPORATION
SUPPLEMENTARY BENEFIT PLAN**

(As Amended and Restated Effective January 1, 2018, and conformed to include amendments through January 1, 2019)

PREAMBLE

On December 31, 1994, Schlumberger Technology Corporation, a Texas corporation (the “Company”), and its Subsidiaries were employers participating in an unfunded deferred compensation plan known as the Schlumberger Limited Supplementary Benefit Plan, as amended and restated effective January 1, 1990 and thereafter amended (the “SL Plan”). The purpose of the SL Plan is to provide to eligible key employees of Schlumberger Limited and other employers thereunder those benefits lost as a result of the application of the Code Section 401(a)(17) Limitations and the Code Section 415 Limitations to certain of the tax-qualified defined benefit and defined contribution plans maintained by Schlumberger Limited and those other employers. Effective as of January 1, 1995, the Board of Directors of the Company elected to withdraw the Company and its Subsidiaries as employers under the SL Plan and to establish the Schlumberger Technology Corporation Supplementary Benefit Plan (the “Plan”) for the purposes of (i) continuing to provide such benefits to eligible key employees of the Company and its Subsidiaries and (ii) reflecting its continuing liability with respect to SL Plan Benefits (as herein defined) of such key employees or former key employees. The Plan has been operated in compliance with Section 409A of the Internal Revenue Code and applicable U.S. Treasury authorities (“Section 409A”) and was amended and restated, effective January 1, 2008 to establish documentary compliance with Section 409A.

The Plan has been further amended and restated from time to time, and effective January 1, 2018, was restated to incorporate restoration benefits with respect to the Schlumberger Pension Plan for U.S. Taxpayers Employed Abroad and the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad, as well as to make certain other conforming changes.

Program A of the Plan, set forth in Article III below, is intended to qualify for the exemptions provided under Title I of ERISA for plans that are not tax-qualified and that are maintained primarily to provide deferred compensation for a select group of management or highly compensated employees. Program B of the Plan, set forth in Article IV below, is intended to qualify for the exemptions provided under Title I of ERISA for plans that are excess benefit plans.

NOW, THEREFORE, Schlumberger Technology Corporation hereby amends and restates the Schlumberger Technology Corporation Supplementary Benefit Plan, effective as of January 1, 2018, to read as follows:

ARTICLE I
DEFINITIONS AND CONSTRUCTION

1.1 **Definitions.** Except as otherwise indicated, the terms used in this Plan shall have the same meaning as they have under the applicable Qualified Plans. For purposes of this Plan, the following definitions shall apply:

“**Active Service**” shall have the meaning ascribed to it in the Qualified Defined Benefit Plans.

“**Actuarial Equivalent**” shall have the meaning ascribed to it in the Qualified Defined Benefit Plans.

“**Administrative Committee**” shall mean the Administrative Committee of the Schlumberger Limited Pension Plan.

“**Board of Directors**” shall mean the Board of Directors of Schlumberger Technology Corporation.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“**Code Section 401(a)(17) Limitations**” shall mean the limitations imposed by Code Section 401(a)(17).

“**Code Section 415 Limitations**” shall mean the limitations imposed by Code Section 415 without regard to Code Section 415(c)(1)(B).

“**Company**” shall mean Schlumberger Technology Corporation, a Texas corporation.

“**Employee**” shall mean any person who is employed by and carried on the payroll of an Employer and who meets the requirements for participation in a Qualified Defined Benefit Plan or Qualified Defined Contribution Plan maintained by an Employer.

“**Employer**” shall mean the Company and any Subsidiary or affiliated entity which meets the definition of an Employer in the applicable Qualified Plan.

“**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

“**Participant**” shall mean a participant in a Qualified Defined Contribution Plan or a Qualified Defined Benefit Plan of the Company or any Subsidiary.

“**Plan**” shall mean the Schlumberger Technology Corporation Supplementary Benefit Plan, as amended and restated effective as of January 1, 2008 and set forth herein, and as amended from time to time.

“Qualified Defined Benefit Plans” shall mean the Schlumberger Technology Corporation Pension Plan and the Schlumberger Pension Plan for US Taxpayers Employed Abroad.

“Qualified Defined Contribution Plans” shall mean the Schlumberger Technology Corporation Savings and Profit Sharing Plan, the Schlumberger Technology Corporation Profit Sharing Plan for Specified Drilling Group Employees and the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad; provided, however, that the term “Qualified Defined Contribution Plan” shall only include the portion of the applicable plan that provides for discretionary employer contributions (and basic contributions with respect to the Schlumberger Savings and Profit Sharing Plan for US Taxpayers Employed Abroad) and shall not include any portion of such profit-sharing plan that is subject to Code Section 401(k) or 401(m).

“Qualified Plans” shall mean the Qualified Defined Contribution Plans and Qualified Defined Benefit Plans.

“Spouse” shall mean the person, if any, legally married pursuant to the laws of the State or country in which such marriage was performed to a Participant at the latest of (i) the time of the Participant’s death prior to retirement, (ii) the time of the Participant’s retirement, or (iii) the time the Participant’s benefits are to commence; provided, however, that this definition of “Spouse” shall include a same sex Spouse effective no earlier than (a) September 16, 2013, or (b) if prior to September 16, 2013, such Participant and same sex Spouse resided in a State or the District of Columbia that legally recognized their marriage, June 26, 2013 (or such later date as the Participant and his or her Spouse became residents of such State or the District of Columbia but in no event later than September 16, 2013).

“SL Plan” shall mean the Schlumberger Limited Supplementary Benefit Plan, as amended from time to time.

“SL Plan Benefit” shall mean any benefit accrued pursuant to Section 3.3 or 4.3 of the SL Plan and unpaid as of January 1, 1995, to the extent calculated with reference to any Qualified Plan hereunder and any benefit accrued under the SL Plan and unpaid as of December 31, 2017, to the extent calculated with reference to any Qualified Plan hereunder.

“Subsidiary” means any corporation in which the shares owned or controlled directly or indirectly by Schlumberger Technology Corporation represents 50% or more of the voting power of the issued and outstanding capital stock of such corporation.

“Termination of Employment” shall mean “separation from service,” as defined in Section 1.409A-1(h) of the U.S. Treasury regulations, with an Employer for any reason other than a transfer between Employers.

1.2 **Gender and Number.** Except when otherwise indicated by the context, any masculine pronoun when used in the Plan shall refer to either male or female Participants, and the definition of any term in the singular shall also include the plural.

1.3 Severability. In the event any provision of the Plan shall be held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if the illegal or invalid provision had never been inserted, and the Company shall have the privilege and opportunity to correct and remedy questions of illegality or invalidity by amendment as provided in the Plan.

1.4 Applicable Law. To the extent not preempted by ERISA, this Plan shall be governed and construed in accordance with the laws of the State of Texas.

1.5 Plan Not an Employment Contract. The Plan is not an employment contract. The receipt of benefits under the Plan does not give to any person the right to be continued in employment by the Company or a Subsidiary, and all Employees remain subject to change of salary, transfer, change of job, discipline, layoff, discharge (with or without cause), or any other change of employment status.

1.6 Source of Payment. The benefits described in this Plan are contractual obligations and liabilities of the applicable Employer to pay compensation for services in accordance with the terms hereof. All amounts paid under this Plan shall be paid in cash from the general assets of the applicable Employer. Benefits shall be reflected on the accounting records of the Employers, but shall not be construed to create, or require the creation of, a trust, custodial or escrow account. No special or separate fund need be established and no segregation of assets need be made to assure the payment of such benefits. No Participant shall have any right, title, or interest whatever in or to any investment reserves, accounts, funds or assets that the Company or the Employers may purchase, establish, or accumulate to aid in providing the benefits described in this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust or a fiduciary relationship of any kind between an Employer or the Company and a Participant or any other person. Neither a Participant nor the beneficiary of a Participant shall acquire any interest hereunder greater than that of an unsecured creditor.

1.7 Tax Withholding. The Employer may withhold from a payment any federal, state, or local taxes required by law to be withheld with respect to such payment and such sums as the Employer may reasonably estimate as necessary to cover any taxes for which the Employer may be liable and which may be assessed with regard to such payment.

**ARTICLE II
PARTICIPATION**

A Participant who has accrued SL Plan Benefits or is entitled to benefits accrued under this Plan prior to January 1, 2018, shall receive such benefits, together with any benefits accrued hereunder from and after January 1, 2018, pursuant to the provisions of this Plan. An Employee who becomes eligible for participation in Program A of this Plan (as described in Section 3.2) from and after January 1, 2018 shall become a Participant in Program A of this Plan if, as of or after such date, the benefits he would otherwise receive as a result of his participation in one or more of the Qualified Plans are reduced as a result of the Code Section 401(a)(17) Limitations. An Employee who becomes eligible for participation in Program B of this Plan (as described in Section 4.2) from and after January 1, 2018 shall become a Participant in Program B of this Plan if, as of or after such date, the benefits he would otherwise receive as a result of his participation in one or more of the Qualified Plans are reduced as a result of the Code Section 415 Limitations. An Employee who becomes eligible for participation in both Program A and B of this Plan from and after January 1, 2018 and whose Qualified Plan benefits have been reduced by both the Code Section 401(a)(17) Limitations and the Code Section 415 Limitations shall participate in both Program A and B; provided, however, that nothing in this Plan shall entitle him to receive an amount that exceeds the total benefits that would have been his due under the Qualified Plans in the absence of the Code Section 401(a)(17) Limitations and the Code Section 415 Limitations.

**ARTICLE III
PROGRAM A:
RESTORATION OF BENEFITS REDUCED BY CODE SECTION 401(a)(17)**

3.1 Purpose. Code Section 401(a)(17) limits the amount of compensation that may be taken into account under the Qualified Plans. The purpose of Program A is to restore to Participants in the Qualified Plans any benefits that would have been available to them under the Qualified Plans had the Code Section 401(a)(17) Limitations not been imposed.

3.2 Eligibility. In order to participate in Program A of this Plan, an individual must (a) be a Participant in one of the Qualified Plans and (b) have experienced a reduction in the benefits he would have received from the Qualified Plan in which he is a Participant as a result of the Code Section 401(a)(17) Limitations on the amount of annual compensation that may be included in the calculation of benefits. In addition, this Program is intended solely for the participation of a select group of management or highly compensated employees, as those terms are set forth in Section 201(2) of ERISA.

3.3 Calculation of Restoration Benefit. The amount of restoration benefits payable to a Participant in Program A of this Plan with reference to each Qualified Defined Benefit Plan under which the Participant may claim benefits will be calculated in the manner described in Subsection (a). The amount of benefits payable to a Participant in Program A of this Plan with reference to each Qualified Defined Contribution Plan under which the Participant may claim benefits will be calculated in the manner described in Subsection (b).

(a) Restoration of Amounts Under Qualified Defined Benefit Plans. As of Participant's Termination of Employment the Company will calculate a benefit in an amount equal to the excess of (i) over (ii), where (i) is equal to the amount of the defined benefit which would have been payable under the Qualified Defined Benefit Plan but for the Code Section 401(a)(17) Limitations as of Participant's Termination of Employment and (ii) is equal to the amount of the benefit actually payable under the Qualified Defined Benefit Plan as of Participant's Termination of Employment, which excess is hereinafter referred to as the "Defined Benefit Restoration Benefit." The Participant shall become vested in his or her Defined Benefit Restoration Benefit upon Participant's attainment of age 50 with five years of credited Active Service. The Company shall pay a vested Defined Benefit Restoration Benefit to the Participant, or, if applicable, to his surviving Spouse, upon Participant's Termination of Employment. If Participant experiences a Termination of Employment prior to satisfying the vesting conditions described in this Section 3.3(a), Participant's Defined Benefit Restoration Benefit shall be forfeited. The Defined Benefit Restoration Benefit shall become payable as provided in Section 5.3 hereof.

(b) Restoration of Amounts Under Qualified Defined Contribution Plans. A benefit, hereinafter referred to as the "Defined Contribution Restoration Benefit," shall be provided to each Participant in Program A whose discretionary Employer profit-sharing contribution under a Qualified Defined Contribution Plan was reduced as a result of the Code Section 401(a)(17) Limitations. With respect to any Plan Year, the Defined Contribution Plan Restoration Benefit shall be equal to the excess, if any, of (i) over (ii) where (i) is equal to the amount of the discretionary Employer profit-sharing contribution the Employer would have made to the Qualified Defined Contribution Plan for a Plan Year on behalf of the Participant, based on the Participant's compensation for that Plan Year without regard to the Code Section 401(a)(17) Limitations, and (ii) is equal to the amount of the discretionary Employer profit-sharing contribution that the Employer actually paid into the Qualified Defined Contribution Plan on behalf of the Participant for such Plan Year, after application of the Code Section 401(a)(17) Limitations. A Participant's Defined Contribution Restoration Benefit shall become fully vested upon Participant's completion of four years of Active Service (as that term is defined in the Qualified Defined Contribution Plan).

The Defined Contribution Restoration Benefit shall be treated as if it is actually invested in the applicable Qualified Defined Contribution Plan and shall be credited with gains and losses at the same time and in the same manner as amounts which are actually invested under the Qualified Defined Contribution Plan. Any investment election made pursuant to the Qualified Defined Contribution Plan shall also apply to the Defined Contribution Restoration Benefit and shall be effective at the same time that such election is applicable to the Participant's Account under the Qualified Defined

Contribution Plan. The Administrative Committee shall develop such procedures as it deems necessary for purposes of valuing the Defined Contribution Restoration Benefits and maintaining records thereof. The Defined Contribution Restoration Benefit shall be calculated for every Plan Year until the expiration of the Plan Year during which occurs the earliest of (1) the Participant's Termination of Employment for any reason or (2) the termination of the Qualified Defined Contribution Plan under which the Participant is receiving benefits. The Defined Contribution Restoration Benefit shall become payable as provided in Section 5.2 hereof.

ARTICLE IV
PROGRAM B:
RESTORATION OF BENEFITS REDUCED BY CODE SECTION 415

4.1 Purpose. Code Section 415 limits the amount of benefits available under a defined benefit plan and the amount of contributions permissible under a defined contribution plan. The purpose of Program B is to restore to Participants any Qualified Plan benefits that have been reduced as a result of the Code Section 415 Limitations.

4.2 Eligibility. An employee is eligible to participate in Program B of this Plan if he (a) is a Participant in one of the Qualified Plans and (b) has experienced a reduction in the amount of benefits he would have received from the Qualified Plan in which he is a Participant as a result of the Code Section 415 Limitations.

4.3 Calculation of Restoration Benefit. The amount of restoration benefits payable to a Participant in Program B of this Plan with reference to each Qualified Defined Benefit Plan under which the Participant may claim benefits will be calculated in the manner described in Subsection (a). The amount of benefits payable to a Participant in Program B of this Plan with reference to each Qualified Defined Contribution Plan under which the Participant may claim benefits will be calculated in the manner described in Subsection (b).

(a) Restoration of Amounts Under Qualified Defined Benefit Plans. When a Participant has a Termination of Employment, the Company will calculate a benefit equal to the excess of (i) over (ii), where (i) is equal to the amount of the defined benefit that would have been payable under the Qualified Defined Benefit Plan without regard to the Code Section 415 Limitations as of Participant's Termination of Employment and (ii) is equal to the amount of benefit actually payable under the Qualified Defined Benefit Plan as of Participant's Termination of Employment, which excess is hereinafter referred to as the "Section 415 Defined Benefit Restoration Benefit." The Company shall pay a Section 415 Defined Benefit Restoration Benefit to the Participant or, if applicable, to Participant's surviving Spouse. The Participant shall become vested in his Section 415 Defined Benefit Restoration Benefit upon Participant's attainment of age 50 with five years of credited Active Service. If Participant experiences a Termination of Employment prior to satisfying the vesting conditions described in this Section 4.3(a), Participant's Section 415 Defined Benefit Restoration Benefit shall be forfeited. The Section 415 Defined Benefit Restoration Benefit shall become payable as provided in Section 5.3 hereof.

(b) Restoration of Amounts Under Qualified Defined Contribution Plans. A benefit, hereinafter referred to as the “Section 415 Defined Contribution Restoration Benefit,” will be payable to Participants in Program B whose Qualified Defined Contribution Plan benefits were reduced as a result of the Code Section 415 Limitations. With respect to any Plan Year, the Section 415 Defined Contribution Restoration Benefit shall be payable in an amount equal to the excess of (i) over (ii), where (i) is equal to the amount of the discretionary Employer profit-sharing contribution the Employer would have made under the Qualified Defined Contribution Plan without regard to the Code Section 415 Limitations and (ii) is equal to the amount of the benefit actually payable under the Qualified Defined Contribution Plan. A Participant’s Section 415 Defined Contribution Restoration Benefit shall become fully vested upon Participant’s completion of four years of Active Service (as that term is defined in the Qualified Defined Contribution Plan) or, if earlier, upon Participant’s death.

The Section 415 Defined Contribution Restoration Benefit shall be treated as if it is actually invested in the applicable Qualified Defined Contribution Plan and shall be credited with gains and losses at the same time and in the same manner as amounts which are actually invested under the Qualified Defined Contribution Plan. Any investment elections made pursuant to the Qualified Defined Contribution Plan shall also apply to the Section 415 Defined Contribution Restoration Benefit and shall be effective at the same time that such election is applicable to the Participant’s Account under the Qualified Defined Contribution Plan. The Administrative Committee shall develop such procedures as it deems necessary for purposes of valuing the Section 415 Defined Contribution Restoration Benefits and maintaining records thereof. The Section 415 Defined Contribution Restoration Benefit shall be calculated for every Plan Year until the expiration of the Plan Year during which occurs the earliest of (1) the Participant’s Termination of Employment for any reason or (2) the termination of the Qualified Defined Contribution Plan under which the Participant is receiving benefits. The Section 415 Defined Contribution Restoration Benefit shall become payable as provided in Section 5.2 hereof.

ARTICLE V VESTING AND FORM OF PAYMENT

5.1 Vesting. A Participant shall become vested in the benefits payable in accordance with Sections 3.3 and 4.3 hereof. Notwithstanding the foregoing, a Participant (and his survivor or Beneficiary) shall have no right to a benefit under this Plan if the Administrative Committee determines that the Participant engaged in a dishonest act injurious to the finances or reputation of the Company or any of its Affiliates or that the Participant has violated the Patent and Confidential Information Agreement between the Participant and the Company or any of its Affiliates or any other confidential arrangement involving the Company or any of its Affiliates to which he is a party or by which he is bound.

5.2 Defined Contribution Plan Benefits. The Defined Contribution Restoration Benefit and the Section 415 Defined Contribution Restoration Benefit (the “Defined Contribution Benefits”) shall be payable in the form of (i) a lump sum or (ii) at the Participant’s election, in five or ten annual installment payments.

(a) Lump Sum Payment. Subject to Section 6.5, a lump-sum payment shall be made during the first calendar quarter of the Plan Year following the Participant’s Termination of Employment. In the event of the death of the Participant prior to full payment of his Defined Contribution Benefits, any such unpaid benefits shall be paid in a lump sum to the person or persons who are designated as the Participant’s Beneficiaries under the applicable Qualified Defined Contribution Plan (with the valid consent of the Participant’s Spouse where required under the Qualified Defined Contribution Plan). Any such Defined Contribution Benefits which are paid as a result of the death of the Participant shall be paid in a lump sum during the first calendar quarter of the Plan Year following the Plan Year in which the Participant’s death occurs.

(b) Installment Payments. Subject to the rules established by the Administrative Committee, the Participant may file a distribution election, directing his Defined Contribution Benefits to be distributed in annual installment payments over five or ten years. Such distribution election must be made on the form supplied by the Administrative Committee for that purpose. With respect to Defined Contribution Benefits earned prior to January 1, 2016, the Participant may elect to have his Defined Contribution Benefits distributed in annual installments; *provided, however*, that any such election shall not take effect until at least 12 months after the election was made and the first annual installment shall not be payable prior to the date five years following the first day of the Plan Year following Participant’s Termination of Employment. With respect to Defined Contribution Benefits earned on or after January 1, 2016, the Participant may elect to have his Defined Contribution Benefits distributed in annual installments and subject to Section 6.5, the first annual installment shall be payable during the first calendar quarter of the Plan Year following the Participant’s Termination of Employment.

(c) Change of Form or Timing of Benefit Payments. A Participant may file a subsequent distribution election for his Defined Contribution Benefits no later than 12 months prior to the date that he or she would have otherwise received (or would have commenced to receive) distribution of his Defined Contribution Benefits, to change the timing and form of payment of the distribution to a time and form available under the Plan; *provided, however*, that the payment, or first payment in the case of an installment payment, under the subsequent distribution election shall be deferred to a date that is at least five years after the date the Participant would have received his distribution of Defined Contribution Benefits under his prior election. Such subsequent distribution election is subject to the rules established by the Administrative Committee and must be made on the form supplied by the Administrative Committee for that purpose. The requirement in this Section 5.2(c) that the first payment with respect to which any election thereunder applies must be deferred for at least five years shall not apply to a payment involving the Participant’s death.

5.3 Defined Benefit Plan Benefits. Subject to Section 6.5, the vested Defined Benefit Restoration Benefit and the vested Section 415 Defined Benefit Restoration Benefit (the “Defined Benefits”) shall be payable in the form of an annuity to commence on the first day of the month following the later of (i) the Participant’s Termination of Employment and (ii) the earliest of (A) Participant’s attainment of age 55 (or, with respect to a Participant’s vested Defined Benefits that relate to benefits accrued under the Schlumberger Pension Plan for US Taxpayers Employed Abroad after December 31, 2009, age 60), (B) the Participant’s attainment of age 50 with 20 years of credited Active Service or (C) Participant’s death. If Participant is unmarried on the date of his Termination of Employment, the Defined Benefits shall be paid in the form of a single life annuity. If Participant is married on the date of his Termination of Employment, Participant’s benefit shall be paid in the form of one of the following Actuarially Equivalent annuity forms elected by Participant no later than his Termination of Employment: 50%, 75% or 100% joint and survivor annuity with Participant’s surviving Spouse. If a married Participant has not elected a form of joint and survivor annuity as of the date of his Termination of Employment, his benefit shall automatically be paid in the form of a 50% joint and survivor annuity with Participant’s surviving Spouse. In the event of the death of a Participant prior to commencement of his Defined Benefits or after commencement of such benefits, but prior to final satisfaction of all such amounts under this Plan, the Defined Benefits shall be paid to Participant’s surviving Spouse, if applicable, in accordance with the form of joint and survivor annuity benefits elected by the Participant.

5.4 Non-Duplication of Benefits. The purpose of this Plan is to restore certain benefits which would otherwise be lost under the Qualified Plans. The benefits payable under this Plan shall be coordinated to ensure that benefit reductions attributable to the Code Section 401(a)(17) Limitations and the Code Section 415 Limitations are calculated to prevent duplication of benefits under this Plan. As pension payment amounts are adjusted annually under the Qualified Defined Benefit Plans to take into account cost of living adjustments prescribed by the Secretary of Treasury, the amount of the Section 415 Defined Benefit Restoration Benefit shall be adjusted annually to reflect such changes.

5.5 SL Plan Benefits. All SL Plan Benefits shall be payable hereunder and the applicable Employer continues to be liable (as described in Section 1.6 hereof and of the SL Plan) for the payment of such benefits . Such SL Plan Benefits shall be subject to all of the applicable terms and provisions hereof as though accrued hereunder rather than under the SL Plan. To the extent that any SL Plan Benefits are paid pursuant to the SL Plan, such benefits shall be deemed for all purposes to have been paid pursuant to the terms of this Plan. Notwithstanding any provision herein to the contrary, this Plan shall be administered to prevent duplication of any benefits paid under the SL Plan.

ARTICLE VI ADMINISTRATION

6.1 Administration. The Plan shall be administered, construed and interpreted by the Administrative Committee. The determinations by the Administrative Committee as to any disputed questions arising under the Plan, including questions concerning the Employees who are eligible to be Participants in the Plan and the amounts of their benefits under the Plan, and the construction and interpretation by the Administrative Committee of any provision of the Plan, shall be final, conclusive and binding upon all persons including Participants, their Beneficiaries and survivors, the Company, its stockholders and Employees, and the Employers. A member of the Administrative Committee who is also a Participant in the Plan must abstain from voting on any matter relating specifically to his own benefits under the Plan.

6.2 Expenses. The expenses of administering the Plan shall be borne by the Company.

6.3 Indemnification. The members of the Administrative Committee and its agents shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability, or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit, or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with the Company's written approval) or paid by them in satisfaction of a judgment in any such action, suit, or proceeding. The foregoing provisions shall not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

6.4 409A Compliance. It is intended that the provisions of this Plan satisfy the requirements of Section 409A and that the Plan be construed and operated in a manner consistent with such requirements to the extent applicable. In accordance with Section 409A, an entitlement to a series of payments under this Plan is to be treated as an entitlement to a series of separate payments. Notwithstanding any provision of this Plan to the contrary, participation in this Plan constitutes acknowledgement and agreement by each Participant that the Company and its employees, officers, directors and Affiliates shall not be liable for, and nothing provided or contained in this Plan will be construed to obligate or cause the Company and/or its employees, officers, directors and Affiliates to be liable for, any tax, interest or penalties imposed on a Participant related to or arising with respect to any violation of Section 409A.

6.5 Specified Employees. If the Participant is a "specified employee," as such term is defined and determined below in this Section 6.5, any payments payable as a result of the Participant's Termination of Employment (other than death) shall not be payable before the earlier of (i) the date that is six months after the Participant's Termination of Employment, (ii) the date of the Participant's death, or (iii) the date that otherwise complies with the requirements of Section 409A. A Participant shall be a "specified employee" for the twelve-month period beginning on April 1 of a year if the Participant is a "key employee" as defined in Section 416(i) of the Internal Revenue Code (without regard to Section 416(i)(5) and further described below) as of December 31 of the preceding year or using such dates as designated by the Administrative Committee in accordance with Section 409A and in a manner that is consistent with respect to all of the Company's nonqualified deferred compensation plans. For purposes of determining the identity of specified employees, the Administrative Committee may establish procedures as it deems appropriate in accordance with Section 409A. A "key employee" is an employee who is (1) one of the top 50 highly paid officers of the Company having an annual income greater than \$150,000 in 2008 (with such amount annually adjusted in accordance with Code Section 415(d) for calendar years thereafter); (2) a 5-percent owner of the Company, or (3) is a 1-percent owner of the Company having an annual compensation from the employer of more than \$150,000.

6.6 Non-Alienation of Benefits. Except by mutual agreement between the Company and the Participant, any benefit payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, whether voluntary, involuntary, by operation of law or otherwise, and any attempt at such shall be void, and any such benefit shall not in any way be subject to the debts, contract, liabilities, engagements, or torts of the person who shall be entitled to such to such benefit, nor shall it be subject to attachment or legal process for or against such person.

ARTICLE VII
MERGER, AMENDMENT AND TERMINATION

7.1 Merger, Consolidation or Acquisition. In the event of a merger, consolidation or acquisition where an Employer is not the surviving corporation, unless the successor or acquiring corporation shall elect to continue and carry on the Plan, this Plan shall terminate with respect to such Employer, and no additional benefits shall accrue for the Employees of such Employer. Unpaid vested benefits which have been accrued up to the date of the merger, consolidation or acquisition shall be paid as scheduled unless the successor or acquiring corporation elects to accelerate payment.

7.2 Amendment and Termination. The Board of Directors may amend, modify, or terminate the Plan in whole or in part at any time. In the event of a termination of the Plan pursuant to this Section, unpaid vested benefits shall continue to be an obligation of the Company and shall be paid as scheduled or at such other time as may be permitted upon a plan termination pursuant to Section 409A.

7.3 Participating Subsidiaries. Any Subsidiary that meets the definition of a Participating Affiliate or an Employer under a Qualified Plan and that has any Employees whose benefits under such Qualified Plan are affected by the Code Section 401(a) (17) Limitations or the Code Section 415 Limitations shall be deemed to have adopted this Plan for the benefit of such eligible Employees. Such Subsidiary shall be bound as an Employer by all the terms, provisions, conditions, and limitations of the Plan and shall compile and submit all information required by the Company with reference to its Employees who are eligible for participation in the Plan.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officers in a number of copies, each of which shall be deemed an original but all of which shall constitute one and the same instrument, this 14th day of January, 2019, but effective as of the first day of January, 2018.

SCHLUMBERGER TECHNOLOGY CORPORATION

By /s/ Lees Rodionov

Lees Rodionov
President

SCHLUMBERGER 2001 STOCK OPTION PLAN
(Amended and Restated as of July 19, 2017)

1. Purpose of the Plan

This Schlumberger 2001 Stock Option Plan (the “Plan”) was adopted by Schlumberger Limited (the “Company”) and is intended as an incentive to key employees of the Company and its subsidiaries (as defined in Section 3(a) below). Its purposes are to retain employees with a high degree of training, experience and ability, to attract new employees whose services are considered unusually valuable, to encourage the sense of proprietorship of such persons and to stimulate the active interest of such persons in the development and financial success of the Company.

2. Administration of the Plan

(a) The Board of Directors of the Company (the “Board”) shall appoint and maintain a Compensation Committee (the “Committee”) consisting of at least three (3) members of the Board, none of whom is an officer or employee of the Company, who shall serve at the pleasure of the Board. The Committee may from time to time grant incentive stock options and non-qualified stock options (collectively, “Stock Options”) under the Plan to the persons described in Section 3 hereof. No member of the Committee will be eligible to receive Stock Options under the Plan during his or her tenure on the Committee. Members of the Committee will be subject to any additional restrictions necessary to satisfy the definition of “Non-Employee Director” as set forth in Rule 16b-3 under the United States Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”).

(b) The Committee shall have full power and authority to interpret the provisions of the Plan and supervise its administration. All decisions and selections made by the Committee pursuant to the provisions of the Plan shall be made by a majority of its members. Any decision reduced to writing and signed by a majority of the members shall be fully effective as if adopted by a majority at a meeting duly held. Subject to the provisions of the Plan, the Committee shall have full and final authority to determine the persons to whom Stock Options hereunder shall be granted, the number of shares of common stock, par value \$0.01 per share, of the Company (the “Shares”) to be covered by each Stock Option (except that no optionee may be granted options for more than 500,000 Shares during the life of the Plan), and whether such Stock Option is designated an “incentive stock option” or a “non-qualified stock option.”

(c) No member of the Committee shall be liable for anything done or omitted to be done by him or by her or any other member of the Committee in connection with the Plan, except for his or her own willful misconduct or as expressly provided by statute.

(d) If the exercise period of an outstanding Stock Option is continued following a holder’s termination of employment as provided in Section 5 hereof, and the holder engages in “detrimental activity” as defined in Section 5(c)(iv)(E), the Committee shall have the authority in its discretion to cause such option to be forfeited and certain option exercises thereunder to be rescinded as provided for in Section 5.

3. Grants of Stock Options

(a) The persons eligible for participation in the Plan as recipients of Stock Options shall include only employees of the Company or its “subsidiary corporations,” as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”), and hereinafter referred to as “subsidiaries,” who are executive, administrative, professional or technical personnel who have responsibilities affecting the management, direction, development and financial success of the Company or its subsidiaries. No Director of the Company who is not also an employee is eligible to participate in the Plan, nor is any employee who owns directly or indirectly stock possessing more than five percent (5%) of the total combined voting power or value of all classes of stock of the Company or any subsidiary. An employee may receive more than one grant of Stock Options at the Committee’s discretion, including simultaneous grants of different forms of Stock Options.

(b) The Committee in granting Stock Options hereunder shall have discretion to determine the terms and conditions upon which such Stock Options may be exercisable. Each grant of a Stock Option shall be confirmed by an Agreement consistent with this Plan which shall be executed by the Company and accepted by the person to whom such Stock Option is granted through an on-line acceptance process designated by the Company. Except in the case of death or disability (as described in Section 5(c)(iv)(B) or 5(c)(v) (B) hereof), no Stock Option shall vest or become exercisable with respect to any portion of the Shares thereunder unless and until the recipient remains in the employment of the Company or a subsidiary for a period of at least one (1) year from the date of grant of the option (which provision shall not be construed to impair in any way the right of the Company or subsidiary to terminate such employment). For the avoidance of doubt, in no event shall the provisions of the preceding sentence apply to any Stock Option held by an optionee whose employment terminated due to death or disability prior to January 17, 2008.

(c) For purposes of this Plan, employment with the Company shall include employment with any subsidiary of the Company, and Stock Options granted under this Plan shall not be affected by an employee’s transfer of employment from the Company to a subsidiary, from a subsidiary to the Company or between subsidiaries of the Company.

(d) The purchase price of the Shares as to which a Stock Option is exercised shall be paid in full at the time of the exercise subject to such rules, procedures and restrictions as the Committee may prescribe from time to time: (i) in cash or by certified check; (ii) by the delivery of Shares; (iii) by authorizing the Company to withhold a number of Shares otherwise deliverable on the exercise of the Stock Options, in either case, with a fair market value (as determined according to Section 5(b) hereof) at the time of exercise equal to the total option price; or (iv) by a combination of the methods described in (i), (ii) and (iii).

4. Shares Subject to the Plan

Subject to adjustment as provided in Section 8 hereof, there shall be subject to the Plan 9,000,000 Shares. The Shares subject to the Plan shall consist of authorized and unissued Shares or previously-issued Shares reacquired and held by the Company or any subsidiary. Should any Stock Option expire or be terminated prior to its exercise in full and or to the termination of the Plan, the Shares theretofore subject to such Stock Option shall be available for further grants under the Plan. Until termination of the Plan, the Company shall at all times make available a sufficient number of

Shares to meet the requirements of the Plan. After termination of the Plan, the number of Shares reserved for purposes of the Plan from time to time shall be only such number of Shares as are issuable under then outstanding Stock Options.

5. Terms of Stock Options

(a) Stock Options granted under this Plan that are designated as “incentive stock options” may be granted with respect to any number of Shares, subject to the limitation that the aggregate fair market value of such Shares (determined in accordance with Section 5(b) below at the time the option is granted) with respect to which such options are exercisable for the first time by an employee during any one calendar year (under all such plans of the Company and any subsidiary of the Company) shall not exceed \$100,000. To the extent that the aggregate fair market value of Shares with respect to which incentive stock options (determined without regard to this subsection) are exercisable for the first time by any employee during any calendar year (under all plans of the employer corporation and its parent and subsidiaries) exceeds \$100,000, such options shall be treated as options which are not incentive stock options. No Stock Options shall be granted pursuant to the Plan after January 17, 2011.

(b) The purchase price of each Share subject to a Stock Option shall be determined by the Committee prior to granting a Stock Option. The Committee shall set the purchase price for each Share at either the fair market value (the “Fair Market Value”) of each Share on the date the Stock Option is granted, or at such other price as the Committee in its sole discretion shall determine, but not less than one hundred percent (100%) of such Fair Market Value. After it is granted, no Stock Option may be amended to decrease the purchase price and no Stock Option may be granted in substitution for an outstanding Stock Option with a purchase price lower than the purchase price of an outstanding Stock Option. The Fair Market Value of a Share on a particular date shall be deemed to be the mean between the highest and lowest composite sales price per Share in the New York Stock Exchange (“NYSE”) Composite Transactions Quotations, as reported for that date, or, if there is no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the Shares were traded shall be the Fair Market Value.

(c) (i) Subject to the requirements of Section 3(b), each Stock Option granted hereunder shall be exercisable in one or more installments (annual or other) on such date or dates as the Committee may in its sole discretion determine and communicate to the optionee in communicating the grant of the option, provided that no Stock Option may be exercised after the expiration of ten (10) years from the date such option is granted (the maximum term established by the Committee with respect to a particular Stock Option is hereinafter referred to as the “Option Period”). For the avoidance of doubt, in no event shall the provisions of this Section 5(c)(i) apply to any Stock Option held by an optionee whose employment terminated due to death or disability prior to January 17, 2008.

(ii) Except as provided in paragraph (e) below, the right to purchase Shares shall be cumulative so that when the right to purchase any Shares has accrued such Shares or any part thereof may be purchased at any time thereafter until the expiration or termination of the Stock Option.

(iii) At any time after the granting of any such Stock Option, the Committee may accelerate the installment exercise dates (subject, however, to any applicable limitations concerning options designated “incentive stock options”).

(iv) *Termination of Employment and Subsequent Events.*

(A) If the optionee’s employment with the Company or any subsidiary is terminated with the consent of the Company and provided such employment is not terminated for cause (of which the Committee shall be the sole judge), the Committee may permit such Stock Option to be exercised by such optionee at any time during the period of three (3) months after such termination or the remainder of the Option Period whichever is less, provided that such option may be exercised only to the extent it was exercisable on the date of such termination.

(B) In the event an optionee dies while in the employ of the Company or any subsidiary, any outstanding Stock Option shall automatically become fully vested and exercisable by the person or persons entitled thereto under the optionee’s will or the laws of descent and distribution during the “Post-Death Exercise Period.” The Post-Death Exercise Period shall commence on the date of the optionee’s death and shall end sixty (60) months thereafter or the remainder of the Option Period, whichever is less.

(C) In the event an optionee dies after termination of employment but prior to the exercise in full of any Stock Option which was exercisable on the date of such termination, such option may be exercised before expiration of its term by the person or persons entitled thereto under the optionee’s will or the laws of descent and distribution during the Post-Death Exercise Period to the extent exercisable by the optionee at the date of death. For purposes of this Section 5(c)(iv)(C), the Post-Death Exercise Period shall commence on the date of the optionee’s termination of employment and shall end sixty (60) months thereafter or the remainder of the Option Period, whichever is less.

(D) If the optionee’s employment with the Company or any subsidiary is terminated without the consent of the Company for any reason other than the death of the optionee, or if the optionee’s employment with the Company or any subsidiary is terminated for cause, his or her rights under any then outstanding Stock Option shall terminate immediately. The Committee shall be the sole judge of whether the optionee’s employment is terminated without the consent of the Company or for cause.

(E) Notwithstanding the foregoing, if the optionee engages in “detrimental activity” (as defined below in this subclause) within one year after termination of employment for any reason other than retirement or disability, the Committee, in its discretion, may cause the optionee’s right to exercise such option to be forfeited. Such forfeiture may occur at any time after the Committee determines that the optionee has engaged in detrimental activity and prior to the actual delivery of all Shares subject to the option pursuant to the exercise of such option. If an allegation of detrimental activity by an optionee is made to the Committee, the Committee, in its discretion, may suspend the exercisability of the optionee’s options for up to two months to permit the investigation of such allegation. In addition, if the optionee engages in detrimental activity within one year following termination of employment for any reason other than retirement or disability, the Committee, in its discretion, may rescind any option exercise made within the period commencing six months preceding the date of the optionee’s termination of employment and ending three months following such termination.

For purposes of the Plan, “detrimental activity” means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its subsidiaries, including but not limited to situations where such optionee: (1) divulges trade secrets of the Company, proprietary data or other confidential information relating to the Company or to the business of the Company and any subsidiaries, (2) enters into employment with a competitor under circumstances suggesting that such optionee will be using unique or special knowledge gained as a Company employee to compete with the Company, (3) uses information obtained during the course of his or her prior employment for his or her own purposes, such as for the solicitation of business,(4) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company, or (5) takes any action that harms the business interests, reputation, or goodwill of the Company or its subsidiaries.

For the avoidance of doubt, in no event shall the provisions of this Section 5(c)(iv) apply to any Stock Option held by an optionee whose employment terminated due to death or disability prior to January 17, 2008.

(v) *Retirement, Disability and Subsequent Events.*

(A) If the optionee’s employment with the Company or any subsidiary is terminated due to retirement, such Stock Option shall be exercisable by such optionee at any time during the period of sixty (60) months after such termination or the remainder of the Option Period, whichever is less (the “Retirement Exercise Period”), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination. For purposes of this Section 5(c)(v), “retirement” shall mean termination of the optionee’s employment with the Company and all affiliates at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all affiliates.

(B) If the optionee’s employment with the Company is terminated due to disability, such Stock Option shall automatically become fully vested and exercisable. Such optionee may exercise the outstanding Stock Option at any time during (1) in the case of Stock Options intended to be incentive stock options within the meaning of Section 422 of the Code and granted prior to January 17, 2008, the period of three (3) months after such termination or the remainder of the Option Period, whichever is less, or (2) in the case of all other Stock Options, the period of sixty (60) months after such termination or the remainder of the Option Period, whichever is less (the “Disability Exercise Period”). For purposes of the Plan, “disability” means such disability (whether through physical or mental impairment) which totally and permanently incapacitates the optionee from any gainful employment in any field which the optionee is suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

(C) In the event an optionee dies during the Retirement Exercise Period or the Disability Exercise Period, such Stock Option may be exercised by the person or persons entitled thereto under the optionee’s will or the laws of descent and distribution to the extent exercisable by the optionee at the date of death and to the extent the term of the Option Period has not expired within such Retirement Exercise Period or Disability Exercise Period.

(D) Notwithstanding the foregoing, if the optionee engages in “detrimental activity” (as defined in Section 5(c)(iv)(E)) within five years after termination of employment by reason of retirement or disability, the Committee, in its discretion, may cause the optionee’s right to exercise such option to be forfeited. Such forfeiture may occur at any time after the Committee determines that the optionee has engaged in detrimental activity and prior to the actual delivery of all Shares subject to the option pursuant to the exercise of such option. If an allegation of detrimental activity by an optionee is made to the Committee, the Committee, in its discretion, may suspend the exercisability of the optionee’s options for up to two months to permit the investigation of such allegation. In addition, if the optionee engages in detrimental activity within five years following termination of employment by reason of retirement or disability, the Committee, in its discretion, may rescind any option exercise made within the period commencing six months preceding the date of the optionee’s termination of employment by retirement or disability and ending one year following such termination.

For the avoidance of doubt, in no event shall the provisions of this Section 5(c)(v) apply to any Stock Option held by an optionee whose employment terminated due to death or disability prior to January 17, 2008.

(vi) Notwithstanding the other provisions of this paragraph (c), in no event may a Stock Option be exercised after the expiration of ten (10) years from the date such Stock Option is granted.

(d) At the time of the grant of a Stock Option, the Committee may determine that the Shares covered by such option shall be restricted as to transferability. If so restricted, such Shares shall not be sold, transferred or disposed of in any manner, and such Shares shall not be pledged or otherwise hypothecated until the restriction expires by its terms. The circumstances under which any such restriction shall expire shall be determined by the Committee and shall be set forth in the Stock Option Agreement covering the grant of the option to purchase such Shares.

(e) The Committee shall designate whether a Stock Option is to be an “incentive stock option” for purposes of Section 422 of the Code.

6. Assignability of Stock Options

Stock Options granted under the Plan shall not be assignable or otherwise transferable by the recipient except by will or the laws of descent and distribution. Otherwise, Stock Options granted under this Plan shall be exercisable during the lifetime of the recipient (except as otherwise provided in the Plan or the applicable Agreement for Stock Options other than “incentive stock options”) only by the recipient for his or her individual account, and no purported assignment or transfer of such Stock Options thereunder, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right therein whatsoever but immediately upon any such purported assignment or transfer, or any attempt to make the same, such Stock Options thereunder shall terminate and become of no further effect.

7. Taxes

Withholding of any taxes may be satisfied by (i) transfer to the Company of Shares theretofore and by the optionee or (ii) withholding from the Share otherwise deliverable under the Stock Options, in either case, with respect to which withholding is required, up to the maximum tax rate applicable to the optionee, as determined by the Committee. If Shares are used to satisfy tax withholding, such Shares shall be valued based on the Fair Market Value when the tax withholding is required to be made. An optionee's election pursuant to the preceding sentence must be made on or before the date of exercise and must be irrevocable. The Committee may make such other provisions and rules as it may deem appropriate for the withholding of taxes in connection with any Stock Options granted under the Plan.

8. Reorganizations and Recapitalizations of the Company

(a) The existence of this Plan and Stock Options granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Except as hereinafter provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to Stock Options granted hereunder.

(c) If, and whenever, prior to the delivery by the Company or a subsidiary of all of the Shares which are subject to the Stock Options or rights granted hereunder, the Company shall effect a subdivision or consolidation of shares or other capital readjustments, the payment of a stock dividend or other increase or reduction of the number of Shares outstanding without receiving compensation therefor in money, services or property, the number of Shares subject to the Plan shall be proportionately adjusted and the number of Shares with respect to which Stock Options granted hereunder may thereafter be exercised shall:

(i) in the event of an increase in the number of outstanding Shares, be proportionately increased, and the cash consideration (if any) payable per Share shall be proportionately reduced; and

(ii) in the event of a reduction in the number of outstanding Shares, be proportionately reduced, and the cash consideration (if any) payable per Share shall be proportionately increased.

(d) If the Company merges with one or more corporations, or consolidates with one or more corporations and the Company shall be the surviving corporation, thereafter, upon any exercise of Stock Options granted hereunder, the recipient shall, at no additional cost (other than the option price, if any) be entitled to receive (subject to any required action by stockholders) in

lieu of the number of Shares as to which such Stock Options shall then be exercisable the number and class of shares of stock or other securities to which the recipient would have been entitled pursuant to the terms of the agreement of merger or consolidation, if immediately prior to such merger or consolidation the recipient had been the holder of record of the number of Shares equal to the number of Shares as to which such Stock Options shall be exercisable. Upon any reorganization, merger or consolidation where the Company is not the surviving corporation or upon liquidation or dissolution of the Company, all outstanding Stock Options shall, unless provisions are made in connection with such reorganization, merger or consolidation for the assumption of such Stock Options, be canceled by the Company as of the effective date of any such reorganization, merger or consolidation, or of any dissolution or liquidation of the Company, by giving notice to each holder thereof or his or her personal representative of its intention to do so and by permitting the exercise during the thirty-day period next preceding such effective date of all Stock Options which are outstanding as of such date, whether or not otherwise exercisable.

9. Registration under Securities Act of 1933 and Exchange Listing

It is intended that the Stock Options and Shares covered by the Plan will be registered under the Securities Act of 1933, as amended. At the time any Shares are issued or transferred to satisfy the exercise of a Stock Option granted under the Plan, such Shares will have been listed (or listed subject to notice of issuance) on the NYSE.

10. Reports and Returns

The Company shall cause to be filed any reports, returns or other information regarding the Stock Options granted hereunder or any Shares issued pursuant to the exercise thereof or a payment made hereunder, as may be required by Section 13 or 15(d) of the Exchange Act or any other applicable statute, rule or regulation.

11. Plan Term

The Plan became effective February 16, 2001 upon approval by the holders of a majority of the votes cast at the Company's 2001 annual general meeting of stockholders. The Plan was amended from time to time and was thereafter amended and restated effective as of July 19, 2017. No Stock Options shall be granted pursuant to the Plan after February 16, 2011.

12. Amendment or Termination

The Board may amend, alter or discontinue the Plan at any time insofar as permitted by law, but no amendment or alteration shall be made without the approval of the stockholders of the Company:

(a) if, except as contemplated by Section 8 hereof, the amendment would permit the decrease of the purchase price of a Stock Option after the grant of the Stock Option or grant to the holder of an outstanding Stock Option, a new Stock Option with a lower purchase price in exchange for the outstanding Stock Option; or

(b) if and to the extent such amendment requires stockholder approval under Section 422 of the Code (or any successor provision).

No amendment of the Plan shall alter or impair any of the rights or obligations of any person, without his or her consent, under any Stock Option or right theretofore granted under the Plan.

13. Government Regulations

Notwithstanding any of the provisions hereof or of any Stock Option granted hereunder, the obligation of the Company or any subsidiary to sell and deliver Shares under such Stock Option or to make cash payments in respect thereto shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required, and the recipient shall agree that he will not exercise or convert any Stock Option granted hereunder, and that neither the Company nor any subsidiary will be obligated to issue any Shares or make any payments under any such option if the exercise thereof or if the issuance of such Shares or if the payment made constitutes, or may constitute, a violation by the recipient or the Company or any subsidiary of any provision of any applicable law, rule or regulation of any governmental authority or national securities exchanges.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer on the date first written above.

SCHLUMBERGER LIMITED

By: /s/ Paal Kibsgaard

Paal Kibsgaard

Title: Chairman & CEO

SCHLUMBERGER 2005 STOCK INCENTIVE PLAN
(Amended and Restated as of July 19, 2017)

1. Purpose of the Plan

This Schlumberger 2005 Stock Incentive Plan (the “Plan”) was adopted by Schlumberger Limited (the “Company”) and is intended as an incentive to key employees of the Company and its subsidiaries (as defined in Section 3(a) below). Its purposes are to retain employees with a high degree of training, experience and ability, to attract new employees whose services are considered unusually valuable, to encourage the sense of proprietorship of such persons and to promote the active interest of such persons in the development and financial success of the Company.

2. Administration of the Plan

(a) Compensation Committee. The Board of Directors of the Company (the “Board”) shall appoint and maintain a Compensation Committee (the “Committee”) consisting of at least three (3) members of the Board, none of whom is an officer or employee of the Company, who shall serve at the pleasure of the Board. No member of such Committee shall be eligible to receive Awards under the Plan during his or her tenure on the Committee.

(b) Committee Powers. The Committee shall have full power and authority to interpret the provisions of the Plan and supervise its administration. All decisions and selections made by the Committee pursuant to the provisions of the Plan shall be made by a majority of its members; provided, however, that the Committee may delegate its authority to grant awards hereunder to the chairperson of the Committee or any other member of the Committee to act in his or her absence, subject to such terms, conditions and limitations as the Committee may prescribe in its discretion. Any decision reduced to writing and signed by a majority of the members shall be fully effective as if adopted by a majority at a meeting duly held. The Committee may from time to time grant incentive stock options and non-qualified stock options (“Stock Options”) and restricted stock and restricted stock units (“Stock Awards”) under the Plan to the persons described in Section 3 hereof. Subject to the provisions of the Plan, the Committee shall have full and final authority to determine the persons to whom Stock Options and Stock Awards (collectively referred to as “Awards”) hereunder shall be granted, the number of shares of common stock, par value \$0.01 per share, of the Company (the “Common Stock”) to be covered by each Award (except that no participant may be granted options for more than 1,500,000 shares of Common Stock (after giving effect to the 2-for-1 stock split (“stock split”) announced by the Company on January 19, 2006) during the life of the Plan), whether each Stock Option is designated an “incentive stock option” or a “non-qualified stock option,” and all other terms of each Award consistent with the provisions of the Plan. If the exercise period of an outstanding Stock Option is continued following a holder’s termination of employment as provided in Section 5 hereof, and the holder engages in “detrimental activity” as defined in Section 5(d)(iv)(E), the Committee shall have the authority in its discretion to cause such option to be forfeited and certain option exercises thereunder to be rescinded as provided for in Section 5.

(c) Committee Liability. No member of the Committee shall be liable for anything done or omitted to be done by him or by her or any other member of the Committee in connection with the Plan, except for his or her own willful misconduct or as expressly provided by statute.

3. Grants of Awards

(a) Eligibility for Awards. The persons eligible for participation in the Plan as recipients of Awards shall include only employees of the Company or its “subsidiary corporations” as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”), and hereinafter referred to as “subsidiaries,” who are executive, administrative, professional or technical personnel who have responsibilities affecting the management, direction, development and financial success of the Company or its subsidiaries. No Director of the Company who is not also an employee is eligible to participate in the Plan, nor is any employee who owns directly or indirectly stock possessing more than five percent (5%) of the total combined voting power or value of all classes of stock of the Company or any subsidiary. An employee may receive more than one grant of Awards at the Committee’s discretion including simultaneous grants of different forms of Awards.

(b) Discretion in and Documentation of Awards. The Committee in granting Awards hereunder shall have discretion to determine the terms and conditions upon which such Awards may vest and become exercisable, subject to and as further described in Section 5 and 6 of the Plan. Each grant of an Award shall be communicated, in the form and manner decided by the Committee, to the person to whom such Award is granted. In addition, the Committee may require that the grant be confirmed by an agreement, and may require that the optionee execute such agreement.

(c) Form of Awards. Awards may be granted in the following forms:

- (i) a Stock Option, in accordance with Section 5, or
- (ii) a Stock Award in accordance with Section 6, or
- (iii) a combination of the foregoing.

(d) Employment for Plan Purposes. For purposes of the Plan, employment with the Company shall include employment with any subsidiary of the Company, and Awards granted under the Plan shall not be affected by an employee’s transfer of employment from the Company to a subsidiary, from a subsidiary to the Company or between subsidiaries of the Company.

(e) Payment of Purchase Price for Stock Options. The purchase price of the shares of Common Stock as to which a Stock Option is exercised shall be paid in full at the time of the exercise subject to such rules, procedures and restrictions as the Committee may prescribe from time to time: (i) in cash or by certified check; (ii) by the delivery of shares of Common Stock; (iii) by authorizing the Company to withhold a number of shares of Common Stock otherwise deliverable on the exercise of the Stock Options, in either case, with a Fair Market Value (as determined according to Section 5(b) hereof) at the time of exercise equal to the total option price; or (iv) by a combination of the methods described in (i), (ii) and (iii).

4. Shares of Common Stock Subject to the Plan

Subject to adjustment as provided in Section 8 hereof, there shall be subject to the Plan 18,000,000 shares of Common Stock (after giving effect to the stock split). All of the shares of Common Stock authorized for issuance may be issued pursuant to Stock Options. No more than 3,000,000 shares of Common Stock (after to giving effect to the stock split) of the shares authorized shall be available for the Stock Awards. The shares of Common Stock subject to the Plan shall consist of authorized and unissued shares or previously-issued shares reacquired and held by the Company or any subsidiary. Until termination of the Plan, the Company shall at all times make available a sufficient number of shares of Common Stock to meet the requirements of the Plan. After termination of the Plan, the number of shares of Common Stock reserved for purposes of the Plan from time to time shall be only such number of shares of Common Stock as are issuable under then outstanding Awards.

The number of shares of Common Stock that are the subject of Awards under the Plan that are forfeited or terminated or expire unexercised shall not count against the aggregate plan maximum and shall again immediately become available for grants hereunder. Shares of Common Stock delivered under the Plan in settlement of an award issued or made (a) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an acquired entity or (b) as a post-transaction grant under such a plan or arrangement of an acquired entity shall not reduce or be counted against the maximum number of shares of Common Stock available for delivery under the Plan, to the extent that the exemption for transactions in connection with mergers and acquisitions from the shareholder approval requirements of the New York Stock Exchange (“NYSE”) for equity compensation plans applies. The Committee may from time to time adopt and observe such rules and procedures concerning the counting of shares of Common Stock against the Plan maximum as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national securities exchange on which the Common Stock is listed or any applicable regulatory requirement. The Board and the appropriate officers of the Company are authorized to take from time to time whatever actions are necessary, and to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that shares of Common Stock are available for issuance pursuant to the Plan.

5. Terms of Stock Options

(a) Incentive Stock Options. The Committee may designate a Stock Option as an “incentive stock option” for purposes of Section 422 of the Code, and any Stock Option that is not so designated shall not be an incentive stock option. Stock Options granted under this Plan that are designated as “incentive stock options” may be granted with respect to any number of shares of Common Stock, up to the full number of shares of Common Stock subject to the Plan, provided that the aggregate Fair Market Value of such shares of Common Stock (determined in accordance with Section 5(b) below at the time the option is granted) with respect to which such options are exercisable for the first time by an employee during any one calendar year (under all such plans of the Company and any subsidiary of the Company) shall not exceed \$100,000. To the extent that the aggregate Fair Market Value of shares of Common Stock with respect to which incentive stock options (determined without regard to this subsection) are exercisable for the first time by any employee during any calendar year (under all plans of the employer corporation and its parent and subsidiaries) exceeds \$100,000, such options shall be treated as options which are not incentive stock options.

(b) Purchase Price; Fair Market Value. The purchase price of each share of Common Stock subject to a Stock Option shall be determined by the Committee prior to granting a Stock Option. The Committee shall set the purchase price for each share of Common Stock at either the fair market value (the "Fair Market Value") of each share of Common Stock on the date the Stock Option is granted, or at such other price as the Committee in its sole discretion shall determine, but not less than one hundred percent (100%) of such Fair Market Value. After it is granted, no Stock Option may be amended to decrease the purchase price and no Stock Option may be granted in substitution for an outstanding Stock Option with a purchase price lower than the purchase price of an outstanding Stock Option. The Fair Market Value of a share of Common Stock on a particular date shall be deemed to be the mean between the highest and lowest composite sales price per share of the Common Stock in the NYSE Composite Transactions Quotations, as reported for that date, or, if there is no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded shall be the Fair Market Value.

(c) Permitted Restriction on Transfer of Option shares of Common Stock. At the time of the grant of a Stock Option, the Committee may determine that the shares of Common Stock covered by such option shall be restricted as to transferability when and if such shares of Common Stock are delivered upon exercise. If so restricted, such shares of Common Stock shall not be sold, transferred or disposed of in any manner, and such shares of Common Stock shall not be pledged or otherwise hypothecated until the restriction expires by its terms. The circumstances under which any such restriction shall expire shall be determined by the Committee and shall be communicated to the optionee in connection with the grant of the option to purchase such shares of Common Stock.

(d) Terms Related to Exercise.

(i) *Exercise Schedule.* Subject to the requirements of paragraphs (A) and (B) below, each Stock Option granted hereunder shall be exercisable in one or more installments (annual or other) on such date or dates as the Committee may in its sole discretion determine and communicate to the optionee in communicating the grant of the option.

(A) No Stock Option may be exercised after the expiration of ten (10) years from the date such option is granted (the maximum term established by the Committee with respect to a particular Stock Option is hereinafter referred to as the "Option Period").

(B) Except in the case of death or disability (as described in Section 5(d)(iv)(B) or 5(d)(v)(B)), no Stock Option shall vest or become exercisable with respect to any portion of the shares of Common Stock thereunder unless and until the recipient remains in the employment of the Company or a subsidiary for a period of at least one (1) year from the date of grant of the option (which provision shall not be construed to impair in any way the right of the Company or subsidiary to terminate such employment).

For the avoidance of doubt, in no event shall the provisions of this Section 5(d)(i) apply to any Stock Option held by an optionee whose employment terminated due to death or disability prior to January 17, 2008.

(ii) *Cumulative Exercise Rights.* The right to purchase shares of Common Stock shall be cumulative so that when the right to purchase any shares of Common Stock has accrued, such shares of Common Stock or any part thereof may be purchased at any time thereafter until the expiration or termination of the Stock Option.

(iii) *Reload.* No Stock Option may include provisions that “reload” the option upon exercise.

(iv) *Termination of Employment and Subsequent Events.*

(A) If the optionee’s employment with the Company or any subsidiary is terminated with the consent of the Company and provided such employment is not terminated for cause (of which the Committee shall be the sole judge), the Committee may permit such Stock Option to be exercised by such optionee at any time during the period of three (3) months after such termination or the remainder of the Option Period whichever is less, provided that such option may be exercised only to the extent it was exercisable on the date of such termination.

(B) In the event an optionee dies while in the employ of the Company or any subsidiary, any outstanding Stock Option shall automatically become fully vested and exercisable by the person or persons entitled thereto under the optionee’s will or the laws of descent and distribution during the “Post-Death Exercise Period.” The Post-Death Exercise Period shall commence on the date of the optionee’s death and shall end sixty (60) months thereafter or the remainder of the Option Period whichever is less.

(C) In the event an optionee dies after termination of employment but prior to the exercise in full of any Stock Option which was exercisable on the date of such termination, such option may be exercised before expiration of its term by the person or persons entitled thereto under the optionee’s will or the laws of descent and distribution during the Post-Death Exercise Period to the extent exercisable by the optionee at the date of death. For purposes of this Section 5(d)(iv)(C), the Post-Death Exercise Period shall commence on the date of the optionee’s termination of employment and shall end sixty (60) months thereafter or the remainder of the Option Period whichever is less.

(D) If the optionee’s employment with the Company or any subsidiary is terminated without the consent of the Company for any reason other than the death of the optionee, or if the optionee’s employment with the Company or any subsidiary is terminated for cause, his or her rights under any then outstanding Stock Option shall terminate immediately. The Committee shall be the sole judge of whether the optionee’s employment is terminated without the consent of the Company or for cause.

(E) Notwithstanding the foregoing, if the optionee engages in “detrimental activity” (as defined below in this subclause) within one year after termination of employment for any reason other than retirement or disability, the Committee, in its discretion, may cause the optionee’s right to exercise such option to be forfeited. Such forfeiture may occur at any time after the Committee determines that the optionee has engaged in detrimental activity and prior to the actual delivery of all shares of Common Stock subject to the option

pursuant to the exercise of such option. If an allegation of detrimental activity by an optionee is made to the Committee, the Committee, in its discretion, may suspend the exercisability of the optionee's options for up to two months to permit the investigation of such allegation. In addition, if the optionee engages in detrimental activity within one year following termination of employment for any reason other than retirement or disability, the Committee, in its discretion, may rescind any option exercise made within the period commencing six months preceding the date of the optionee's termination of employment and ending three months following such termination. For purposes of the Plan, "detrimental activity" means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its subsidiaries, including but not limited to situations where such optionee: (1) divulges trade secrets of the Company, proprietary data or other confidential information relating to the Company or to the business of the Company and any subsidiaries, (2) enters into employment with a competitor under circumstances suggesting that such optionee will be using unique or special knowledge gained as a Company employee to compete with the Company, (3) uses information obtained during the course of his or her prior employment for his or her own purposes, such as for the solicitation of business, (4) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company, or (5) takes any action that harms the business interests, reputation, or goodwill of the Company or its subsidiaries. For the avoidance of doubt, in no event shall the provisions of this Section 5(d)(iv) apply to any Stock Option held by an optionee whose employment terminated due to death or disability prior to January 17, 2008.

(v) *Retirement, Disability and Subsequent Events.*

(A) If the optionee's employment with the Company or any subsidiary is terminated due to retirement, such Stock Option shall be exercisable by such optionee at any time during the period of sixty (60) months after such termination or the remainder of the Option Period, whichever is less (the "Retirement Exercise Period"), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination. For purposes of this Section 5(d)(v), "retirement" shall mean termination of the optionee's employment with the Company and all affiliates at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all affiliates.

(B) If the optionee's employment with the Company is terminated due to disability, such Stock Option shall automatically become fully vested and exercisable. Such optionee may exercise the outstanding Stock Option at any time during (1) in the case of Stock Options intended to be incentive stock options within the meaning of Section 422 of the Code and granted prior to January 17, 2008, the period of three (3) months after such termination or the remainder of the Option Period, whichever is less, or (2) in the case of all other Stock Options, the period of sixty (60) months after such termination or the remainder of the Option Period, whichever is less (the "Disability Exercise Period"). For purposes of the Plan, "disability" means such disability (whether through physical or mental impairment) which totally and permanently incapacitates the optionee from any gainful employment in any field which the optionee is suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

(C) In the event an optionee dies during the Retirement Exercise Period or the Disability Exercise Period, such Stock Option may be exercised by the person or persons entitled thereto under the optionee's will or the laws of descent and distribution to the extent exercisable by the optionee at the date of death and to the extent the term of the Option Period has not expired within such Retirement Exercise Period or Disability Exercise Period.

(D) Notwithstanding the foregoing, if the optionee engages in "detrimental activity" (as defined in Section 5(d)(iv)(E)) within five years after termination of employment by reason of retirement or disability, the Committee, in its discretion, may cause the optionee's right to exercise such option to be forfeited. Such forfeiture may occur at any time after the Committee determines that the optionee has engaged in detrimental activity and prior to the actual delivery of all shares of Common Stock subject to the option pursuant to the exercise of such option. If an allegation of detrimental activity by an optionee is made to the Committee, the Committee, in its discretion, may suspend the exercisability of the optionee's options for up to two months to permit the investigation of such allegation. In addition, if the optionee engages in detrimental activity within five years following termination of employment by reason of retirement or disability, the Committee, in its discretion, may rescind any option exercise made within the period commencing six months preceding the date of the optionee's termination of employment by retirement or disability and ending one year following such termination.

For the avoidance of doubt, in no event shall the provisions of this Section 5(d)(v) apply to any Stock Option held by an optionee whose employment terminated due to death or disability prior to January 17, 2008.

6. Stock Awards

An Award may be in the form of a Stock Award. The terms, conditions and limitations applicable to any Stock Awards granted pursuant to the Plan shall be determined by the Committee, subject to the limitations provided herein. Each Stock Award shall be subject to a vesting schedule, restriction period or holding period, or any combination thereof, totaling at least three years from the date of the Stock Award (the vesting, lapse, or termination of which may be no more rapid in combination than pro rata over three years), provided that the Committee may provide for earlier vesting, lapse of restriction or end of holding period upon a termination of employment by reason of death or disability.

Any Stock Award granted to a person who is an executive officer of the Company at the time of grant shall be performance-based and not eligible for vesting based solely on the passage of time.

Without limiting the type or number of Stock Awards that may be made under the other provisions of the Plan, a Stock Award may be in the form of a performance award. The terms, conditions and limitations applicable to any performance awards granted to participants pursuant to the Plan shall be determined by the Committee, subject to the limitations set forth below. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the amount of performance awards that will be paid out to the participant.

(a) Nonqualified Performance Awards. Performance Awards granted to participants that are not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code shall be based on achievement of such goals and be subject to such terms, conditions, and restrictions as the Committee or its delegate shall determine.

(b) Qualified Performance Awards. Performance Awards granted to participants under the Plan that are intended to qualify as qualified performance based compensation under Section 162(m) of the Code shall be paid, vested, or otherwise deliverable solely on account of the attainment of one or more pre-established, objective performance goals established by the Committee prior to the earlier to occur of (i) 90 days after the commencement of the period of service to which the performance goal relates and (ii) the lapse of 25% of the period of service (as scheduled in good faith at the time the goal is established), and in any event while the outcome is substantially uncertain. A performance goal is objective if a third party having knowledge of the relevant facts could determine whether the goal is met. Such a performance goal may be based on one or more business criteria that apply to the participant, one or more business units, divisions or sectors of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies. A performance goal may include one or more of the following: Revenue measures; Net income measures (including but not limited to income after capital costs and income before or after taxes); Stock price measures (including but not limited to growth measures and total shareholder return); Market share; Earnings per share (actual or targeted growth); Earnings before interest, taxes, depreciation, amortization and charges and credits; Economic value added (“EVA[®]”); Cash flow measures (including but not limited to net cash flow and net cash flow before financing activities); Return measures (including but not limited to return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors’ capital and return on average equity); Operating measures (including operating income, funds from operations, cash from operations, after-tax operating income and sales volumes); Expense measures (including but not limited to overhead cost and general and administrative expense); Margins; Proceeds from divestitures; Total market value; and Corporate values measures (including ethics compliance, environmental, and safety).

Unless otherwise stated, such a performance goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). In interpreting Plan provisions applicable to qualified performance Awards, it is the intent of the Plan to conform with the standards of Section 162(m) of the Code and Treasury Regulation §1.162-27(e)(2)(i), as to grants to those participants whose compensation is, or is likely to be, subject to Section 162(m) of the Code, and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions. Prior to the payment of any compensation based on the achievement of performance goals for qualified performance Awards, the Committee must certify in writing that applicable performance goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions, and limitations applicable to any qualified performance Awards made pursuant to the Plan shall be determined by the Committee.

7. Assignability

Awards granted under the Plan shall not be assignable or otherwise transferable by the recipient except by will or the laws of descent and distribution. Otherwise, Awards granted under this Plan shall be exercisable during the lifetime of the recipient, to the extent applicable, (except as otherwise provided in the Plan or in the documentation of the grant for Awards other than “incentive stock options”) only by the recipient for his or her individual account, and no purported assignment or transfer of such Awards thereunder, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right therein whatsoever but immediately upon any such purported assignment or transfer, or any attempt to make the same, such Awards thereunder shall terminate and become of no further effect.

8. Taxes

Withholding of any taxes may be satisfied by (i) transfer to the Company of shares of Common Stock theretofore and by the holder of the Award or (ii) withholding from the shares of Common Stock otherwise deliverable under the Award, in either case, with respect to which withholding is required, up to the maximum tax rate applicable to the participant, as determined by the Committee. If shares of Common Stock are used to satisfy tax withholding, such shares of Common Stock shall be valued based on the Fair Market Value when the tax withholding is required to be made. An optionee’s election pursuant to this section must be made on or before the date of exercise or vesting and must be irrevocable. The Committee may make such other provisions and rules as it may deem appropriate for the withholding of taxes in connection with any Awards granted under the Plan.

9. Reorganizations and Recapitalizations of the Company

(a) The existence of this Plan and Awards granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any adjustments, recapitalizations, reorganizations or other changes in the Company’s capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the shares of Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Except as hereinafter provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards granted hereunder.

(c) If, and whenever, prior to the delivery by the Company or a subsidiary of all of the shares of Common Stock which are subject to the Awards or rights granted hereunder, the Company shall effect a subdivision or consolidation of shares or other capital readjustments, the payment of a stock dividend or other increase or reduction of the number of shares of the Common Stock

outstanding without receiving compensation therefore in money, services or property, the number of shares of Common Stock subject to the Plan shall be proportionately adjusted and the number of shares of Common Stock with respect to which outstanding Awards or other property subject to an outstanding Award granted hereunder shall:

(i) in the event of an increase in the number of outstanding shares of Common Stock, be proportionately increased, and the cash consideration (if any) payable per share of Common Stock shall be proportionately reduced; and

(ii) in the event of a reduction in the number of outstanding shares of Common Stock, be proportionately reduced, and the cash consideration (if any) payable per share of Common Stock shall be proportionately increased.

(d) If the Company merges with one or more corporations, or consolidates with one or more corporations and the Company shall be the surviving corporation, thereafter, upon any exercise of Awards granted hereunder, the recipient shall, at no additional cost (other than the option price, if any) be entitled to receive (subject to any required action by stockholders) in lieu of the number of shares of Common Stock as to which such Awards shall then be exercisable or vested the number and class of shares of stock or other securities to which the recipient would have been entitled pursuant to the terms of the agreement of merger or consolidation, if immediately prior to such merger or consolidation the recipient had been the holder of record of the number of shares of Common Stock of the Company equal to the number of shares of Common Stock as to which such Awards shall be exercisable or vested. Upon any reorganization, merger or consolidation where the Company is not the surviving corporation or upon liquidation or dissolution of the Company, unless provisions are made in connection with such reorganization, merger or consolidation for the assumption of such Awards, all outstanding Awards shall be fully exercisable and vested by the Company and all holders given notice to permit exercise for 30 days prior to cancellation of the Awards as of the effective date of any such reorganization, merger or consolidation, or of any dissolution or liquidation of the Company.

(e) The Committee shall have the authority to determine whether this Section 9 applies to any transaction or event and to determine any adjustment or other action that it deems appropriate under this Section 9.

10. Registration under Securities Act of 1933 and Exchange Listing

It is intended that the Awards and shares of Common Stock covered by the Plan will be registered under the Securities Act of 1933, as amended. At the time any shares of Common Stock are issued or transferred pursuant to an Award, such shares of Common Stock will have been listed (or listed subject to notice of issuance) on the NYSE.

11. Plan Term

The Plan became effective January 20, 2005 upon stockholder approval at the 2005 annual general meeting of stockholders. The Plan was amended from time to time and was thereafter amended and restated effective as of July 19, 2017. No Awards shall be granted pursuant to the Plan after January 20, 2015.

12. Amendment or Termination

The Board may amend, alter, suspend or discontinue the Plan at any time insofar as permitted by law, but no amendment or alteration shall be made without the approval of the stockholders of the Company:

(a) if, except as contemplated by Section 9 hereof, the amendment would permit the decrease of the purchase price of a Stock Option after the grant of the Stock Option or grant to the holder of an outstanding Stock Option, a new Stock Option with a lower purchase price in exchange for the outstanding Stock Option; or

(b) if the amendment or alteration would constitute a material revision to the Plan requiring stockholder approval under applicable legal requirements or the applicable requirements of the NYSE or such other securities exchange on which the Company's Common Stock is listed.

No amendment of the Plan shall alter or impair any of the rights or obligations of any person, without his or her consent, under any Stock Option or right theretofore granted under the Plan.

13. Government Regulations

Notwithstanding any of the provisions hereof or of any Award granted hereunder, the obligation of the Company or any subsidiary to sell and deliver shares of Common Stock under such Award to make cash payments in respect thereto shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required, and the recipient shall not exercise or convert any Award granted hereunder, and that neither the Company nor any subsidiary will be obligated to issue any shares of Common Stock or make any payments under any such Award if the exercise thereof or if the issuance of such shares of Common Stock or if the payment made constitutes, or may constitute, a violation by the recipient or the Company or any subsidiary of any provision of any applicable law, rule or regulation of any governmental authority or national securities exchanges.

14. Non-United States Participants

The Committee may grant awards to persons outside the United States under such terms and conditions as may, in the judgment of the Committee, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions and, to that end, may establish sub-plans, modified option exercise procedures and other terms and procedures. Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act, the Code, any securities law, any governing statute, or any other applicable law.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer on the date first written above.

SCHLUMBERGER LIMITED

By: /s/ Paal Kibsgaard
Paal Kibsgaard

Title: Chairman & CEO

SCHLUMBERGER 2008 STOCK INCENTIVE PLAN
(Amended and Restated as of July 19, 2017)

1. Purpose of the Plan

This Schlumberger 2008 Stock Incentive Plan (the “Plan”) was adopted by Schlumberger Limited (the “Company”) and is intended as an incentive to key employees of the Company and its subsidiaries (as defined in Section 3(a) below). Its purposes are to retain employees with a high degree of training, experience and ability, to attract new employees whose services are considered unusually valuable, to encourage the sense of proprietorship of such persons and to promote the active interest of such persons in the development and financial success of the Company.

2. Administration of the Plan

(a) Compensation Committee. The Board of Directors of the Company (the “Board”) shall appoint and maintain a Compensation Committee (the “Committee”) consisting of at least three (3) members of the Board, none of whom is an officer or employee of the Company, who shall serve at the pleasure of the Board. No member of such Committee shall be eligible to receive Awards under the Plan during his or her tenure on the Committee.

(b) Committee Powers. The Committee shall have full power and authority to interpret the provisions of the Plan and supervise its administration. All decisions and selections made by the Committee pursuant to the provisions of the Plan shall be made by a majority of its members; provided, however, that the Committee may delegate its authority to grant awards hereunder to the chairperson of the Committee or any other member of the Committee to act in his or her absence, subject to such terms, conditions and limitations as the Committee may prescribe in its discretion. Any decision reduced to writing and signed by a majority of the members shall be fully effective as if adopted by a majority at a meeting duly held. The Committee may from time to time grant incentive stock options and non qualified stock options (“Stock Options”) and restricted stock and restricted stock units (“Stock Awards”) under the Plan to the persons described in Section 3 hereof. Subject to the provisions of the Plan, the Committee shall have full and final authority to determine the persons to whom Stock Options and Stock Awards (collectively referred to as “Awards”) hereunder shall be granted, the number of shares of common stock, par value \$0.01 per share, of the Company (“Common Stock”) to be covered by each Award (except that no participant may be granted Stock Options or Stock Awards more than 750,000 shares of Common Stock during the life of the Plan), whether each Stock Option is designated an “incentive stock option” or a “non qualified stock option,” and all other terms of each Award consistent with the provisions of this Plan. If the exercise period of an outstanding Stock Option is continued following a holder’s termination of employment as provided in Section 5 hereof, and the holder engages in “detrimental activity” as defined in Section 5(d)(iv)(E), the Committee shall have the authority in its discretion to cause such option to be forfeited and certain option exercises thereunder to be rescinded as provided for in Section 5.

(c) Committee Liability. No member of the Committee shall be liable for anything done or omitted to be done by him or by her or any other member of the Committee in connection with the Plan, except for his or her own willful misconduct or as expressly provided by statute.

3. Grants of Awards

(a) Eligibility for Awards. The persons eligible for participation in the Plan as recipients of Awards shall include only employees of the Company or its “subsidiary corporations” as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”), and hereinafter referred to as “subsidiaries,” who are executive, administrative, professional or technical personnel who have responsibilities affecting the management, direction, development and financial success of the Company or its subsidiaries. No Director of the Company who is not also an employee is eligible to participate in the Plan, nor is any employee who owns directly or indirectly stock possessing more than five percent (5%) of the total combined voting power or value of all classes of stock of the Company or any subsidiary. An employee may receive more than one grant of Awards at the Committee’s discretion including simultaneous grants of different forms of Awards.

(b) Discretion in and Documentation of Awards. The Committee in granting Awards hereunder shall have discretion to determine the terms and conditions upon which such Awards may vest and become exercisable, subject to and as further described in Section 5 and 6 of this Plan. Each grant of an Award shall be communicated, in the form and manner decided by the Committee, to the person to whom such Award is granted. In addition, the Committee may require that the grant be confirmed by an agreement, and may require that the optionee execute such agreement.

(c) Form of Awards. Awards may be granted in the following forms:

- (i) a Stock Option, in accordance with Section 5, or
- (ii) a Stock Award in accordance with Section 6, or
- (iii) a combination of the foregoing.

(d) Employment for Plan Purposes. For purposes of the Plan, employment with the Company shall include employment with any subsidiary of the Company, and Awards granted under the Plan shall not be affected by an employee’s transfer of employment from the Company to a subsidiary, from a subsidiary to the Company or between subsidiaries of the Company.

(e) Payment of Purchase Price for Stock Options. The purchase price of the shares of Common Stock as to which a Stock Option is exercised shall be paid in full at the time of the exercise subject to such rules, procedures and restrictions as the Committee may prescribe from time to time: (i) in cash or by certified check; (ii) by the tender or delivery of shares of Common Stock; (iii) by authorizing the Company to withhold a number of shares of Common Stock otherwise deliverable on the exercise of the Stock Options, in either case, with a Fair Market Value (as determined according to Section 5(b) hereof) at the time of exercise equal to the total option price; or (iv) by a combination of the methods described in (i), (ii) and (iii).

4. Shares of Common Stock Subject to the Plan

Subject to adjustment as provided in Section 8 hereof, there shall be subject to the Plan 10,000,000 shares of Common Stock. All of the shares of Common Stock authorized for issuance may be issued pursuant to Stock Options, including “incentive stock options” for purposes of Section 422 of the Code. No more than 1,500,000 shares of Common Stock of the shares authorized shall be available for the Stock Awards. The shares of Common Stock subject to the Plan shall consist of

authorized and unissued shares or previously-issued shares reacquired and held by the Company or any subsidiary. Until termination of the Plan, the Company shall at all times make available a sufficient number of shares of Common Stock to meet the requirements of the Plan. After termination of the Plan, the number of shares of Common Stock reserved for purposes of the Plan from time to time shall be only such number of shares of Common Stock as are issuable under then outstanding Awards.

The number of shares of Common Stock that are the subject of Awards under the Plan that are forfeited or terminated or expire unexercised shall not count against the aggregate plan maximum and shall again immediately become available for grants hereunder. Shares of Common Stock delivered under the Plan in settlement of an award issued or made (a) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an acquired entity or (b) as a post-transaction grant under such a plan or arrangement of an acquired entity shall not reduce or be counted against the maximum number of shares of Common Stock available for delivery under the Plan, to the extent that the exemption for transactions in connection with mergers and acquisitions from the shareholder approval requirements of the New York Stock Exchange (“NYSE”) for equity compensation plans applies. The Committee may from time to time adopt and observe such rules and procedures concerning the counting of shares of Common Stock against the Plan maximum as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national securities exchange on which the Common Stock is listed or any applicable regulatory requirement. The Board and the appropriate officers of the Company are authorized to take from time to time whatever actions are necessary, and to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that shares of Common Stock are available for issuance pursuant to the Plan.

5. Terms of Stock Options

(a) Incentive Stock Options. The Committee may designate a Stock Option as an “incentive stock option” for purposes of Section 422 of the Code, and any Stock Option that is not so designated shall not be an incentive stock option. Stock Options granted under this Plan that are designated as “incentive stock options” may be granted with respect to any number of shares of Common Stock, up to the full number of shares of Common Stock subject to the Plan, provided that the aggregate Fair Market Value of such shares of Common Stock (determined in accordance with Section 5(b) below at the time the option is granted) with respect to which such options are exercisable for the first time by an employee during any one calendar year (under all such plans of the Company and any subsidiary of the Company) shall not exceed \$100,000. To the extent that the aggregate Fair Market Value of shares of Common Stock with respect to which incentive stock options (determined without regard to this subsection) are exercisable for the first time by any employee during any calendar year (under all plans of the employer corporation and its parent and subsidiaries) exceeds \$100,000, such options shall be treated as options which are not incentive stock options.

(b) Purchase Price; Fair Market Value. The purchase price of each share of Common Stock subject to a Stock Option shall be determined by the Committee prior to granting a Stock Option. The Committee shall set the purchase price for each share of Common Stock at either the fair market value (the “Fair Market Value”) of each share of Common Stock on the date the Stock Option is granted, or at such other price as the Committee in its sole discretion shall determine, but not less than one hundred percent (100%) of such Fair Market Value. After it is granted, no Stock

Option may be amended to decrease the purchase price, no Stock Option may be granted in substitution for an outstanding Stock Option with a purchase price lower than the purchase price of an outstanding Stock Option and no Stock Option may be otherwise repriced directly or indirectly. The Fair Market Value of a share of Common Stock on a particular date shall be deemed to be the mean between the highest and lowest composite sales price per share of the Common Stock in the NYSE Composite Transactions Quotations, as reported for that date, or, if there is no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded shall be the Fair Market Value.

(c) Permitted Restriction on Transfer of Option shares of Common Stock. At the time of the grant of a Stock Option, the Committee may determine that the shares of Common Stock covered by such option shall be restricted as to transferability when and if such shares of Common Stock are delivered upon exercise. If so restricted, such shares of Common Stock shall not be sold, transferred or disposed of in any manner, and such shares of Common Stock shall not be pledged or otherwise hypothecated until the restriction expires by its terms. The circumstances under which any such restriction shall expire shall be determined by the Committee and shall be communicated to the optionee in connection with the grant of the option to purchase such shares of Common Stock.

(d) Terms Related to Exercise.

(i) *Exercise Schedule.* Subject to the requirements of paragraphs (A) and (B) below, each Stock Option granted hereunder shall be exercisable in one or more installments (annual or other) on such date or dates as the Committee may in its sole discretion determine and communicate to the optionee in communicating the grant of the option.

(A) No Stock Option may be exercised after the expiration of ten (10) years from the date such option is granted (the maximum term established by the Committee with respect to a particular Stock Option is hereinafter referred to as the "Option Period").

(B) Except in the case of death or disability (as described in Section 5(d)(iv)(B) or 5(d)(v)(B)), no Stock Option shall vest or become exercisable with respect to any portion of the shares of Common Stock thereunder unless and until the recipient remains in the employment of the Company or a subsidiary for a period of at least one (1) year from the date of grant of the option (which provision shall not be construed to impair in any way the right of the Company or subsidiary to terminate such employment).

(ii) *Cumulative Exercise Rights.* The right to purchase shares of Common Stock shall be cumulative so that when the right to purchase any shares of Common Stock has accrued, such shares of Common Stock or any part thereof may be purchased at any time thereafter until the expiration or termination of the Stock Option.

(iii) *Reload.* No Stock Option may include provisions that "reload" the option upon exercise.

(iv) *Termination of Employment and Subsequent Events.*

(A) If the optionee's employment with the Company or any subsidiary is terminated with the consent of the Company and provided such employment is not terminated for cause (of which the Committee shall be the sole judge), the Committee may permit such Stock Option to be exercised by such optionee at any time during the period of three (3) months after such termination or the remainder of the Option Period whichever is less, provided that such option may be exercised only to the extent it was exercisable on the date of such termination.

(B) In the event an optionee dies while in the employ of the Company or any subsidiary, any outstanding Stock Option shall automatically become fully vested and exercisable by the person or persons entitled thereto under the optionee's will or the laws of descent and distribution during the "Post-Death Exercise Period." The Post-Death Exercise Period shall commence on the date of the optionee's death and shall end sixty (60) months thereafter or the remainder of the Option Period whichever is less.

(C) In the event an optionee dies after termination of employment but prior to the exercise in full of any Stock Option which was exercisable on the date of such termination, such option may be exercised by the person or persons entitled thereto under the optionee's will or the laws of descent and distribution during the Post-Death Exercise Period but only to the extent exercisable by the optionee at the date of death. For purposes of this Section 5(d)(iv)(C), the Post-Death Exercise Period shall commence on the date of the optionee's termination of employment and shall end sixty (60) months thereafter or the remainder of the Option Period whichever is less.

(D) If the optionee's employment with the Company or any subsidiary is terminated without the consent of the Company for any reason other than the death of the optionee, or if the optionee's employment with the Company or any subsidiary is terminated for cause, his or her rights under any then outstanding Stock Option shall terminate immediately. The Committee shall be the sole judge of whether the optionee's employment is terminated without the consent of the Company or for cause.

(E) Notwithstanding the foregoing, if the optionee engages in "detrimental activity" (as defined below in this subclause) within one year after termination of employment for any reason other than retirement or disability, the Committee, in its discretion, may cause the optionee's right to exercise such option to be forfeited. Such forfeiture may occur at any time after the Committee determines that the optionee has engaged in detrimental activity and prior to the actual delivery of all shares of Common Stock subject to the option pursuant to the exercise of such option. If an allegation of detrimental activity by an optionee is made to the Committee, the Committee, in its discretion, may suspend the exercisability of the optionee's options for up to two months to permit the investigation of such allegation. In addition, if the optionee engages in detrimental activity within one year following termination of employment for any reason other than retirement or disability (which are addressed below in Section 5(d)(v)(D)), the Committee, in its discretion, may rescind any option exercise made within the period commencing six months preceding the date of the optionee's termination of employment and ending three months following such termination. For purposes of the Plan,

“detrimental activity” means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its subsidiaries, including but not limited to situations where such optionee: (1) divulges trade secrets of the Company, proprietary data or other confidential information relating to the Company or to the business of the Company and any subsidiaries, (2) enters into employment with a competitor under circumstances suggesting that such optionee will be using unique or special knowledge gained as a Company employee to compete with the Company, (3) uses information obtained during the course of his or her prior employment for his or her own purposes, such as for the solicitation of business, (4) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company, or (5) takes any action that harms the business interests, reputation, or goodwill of the Company or its subsidiaries.

(v) *Retirement, Disability and Subsequent Events.*

(A) If the optionee’s employment with the Company or any subsidiary is terminated due to retirement, such Stock Option shall be exercisable by such optionee at any time during the period of sixty (60) months after such termination or the remainder of the Option Period, whichever is less (the “Retirement Exercise Period”), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination. For purposes of this Section 5(d)(v), “retirement” shall mean termination of the optionee’s employment with the Company and all affiliates at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all affiliates.

(B) If the optionee’s employment with the Company is terminated due to disability, such Stock Option shall automatically become fully vested and exercisable. Such optionee may exercise the outstanding Stock Option at any time during the period of sixty (60) months after such termination or the remainder of the Option Period, whichever is less (the “Disability Exercise Period”). For purposes of the Plan, “disability” means such disability (whether through physical or mental impairment) which totally and permanently incapacitates the Optionee from any gainful employment in any field which the Optionee is suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

(C) In the event an optionee dies during the Retirement Exercise Period or the Disability Exercise Period, such Stock Option may be exercised by the person or persons entitled thereto under the optionee’s will or the laws of descent and distribution to the extent exercisable by the optionee at the date of death and to the extent the term of the Option Period has not expired within such Retirement Exercise Period or Disability Exercise Period.

(D) Notwithstanding the foregoing, if the optionee engages in “detrimental activity” (as defined in Section 5(d)(iv)(E)) within five years after termination of employment by reason of retirement or disability, the Committee, in its discretion, may cause the optionee’s right to exercise such option to be forfeited. Such forfeiture may occur at any time after the Committee determines that the optionee has engaged in detrimental activity and prior to the actual delivery of all shares of Common Stock subject to the option pursuant to the exercise of such option. If an allegation of detrimental activity by an optionee is made to the Committee, the Committee, in its discretion, may suspend the exercisability of the optionee’s options for up to two months to permit the investigation of such allegation. In addition, if the optionee engages in detrimental activity within five years following termination of employment by reason of retirement or disability, the Committee, in its discretion, may rescind any option exercise made within the period commencing six months preceding the date of the optionee’s termination of employment by retirement and ending one year following such termination.

6. Stock Awards

An Award may be in the form of a Stock Award. The terms, conditions and limitations applicable to any Stock Awards granted pursuant to the Plan shall be determined by the Committee, subject to the limitations provided herein. Each Stock Award shall be subject to a vesting schedule, restriction period or holding period, or any combination thereof, totaling at least three years from the date of the Stock Award, provided that the Committee may provide for earlier vesting, lapse of restriction or end of holding period upon a termination of employment by reason of death or disability.

Any Stock Award granted to a person who is an executive officer of the Company at the time of grant shall be performance-based and not eligible for vesting based solely on the passage of time.

Without limiting the type or number of Stock Awards that may be made under the other provisions of the Plan, a Stock Award may be in the form of a performance award. The terms, conditions and limitations applicable to any performance awards granted to participants pursuant to the Plan shall be determined by the Committee, subject to the limitations set forth below. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the amount of performance awards that will be paid out to the participant.

(a) Nonqualified Performance Awards. Performance Awards granted to participants that are not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code shall be based on achievement of such goals and be subject to such terms, conditions, and restrictions as the Committee or its delegate shall determine.

(b) Qualified Performance Awards. Performance Awards granted to participants under the Plan that are intended to qualify as qualified performance based compensation under Section 162(m) of the Code shall be paid, vested, or otherwise deliverable solely on account of the attainment of one or more pre-established, objective performance goals established by the Committee prior to the earlier to occur of (i) 90 days after the commencement of the period of service to which the performance goal relates and (ii) the lapse of 25% of the period of service (as scheduled in good faith at the time the goal is established), and in any event while the outcome is substantially uncertain. A performance goal is objective if a third party having knowledge of the relevant facts could determine

whether the goal is met. Such a performance goal may be based on one or more business criteria that apply to the participant, one or more business units, divisions or sectors of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies. A performance goal may include one or more of the following: Increased revenue; Net income measures (including but not limited to income after capital costs and income before or after taxes); Stock price measures (including but not limited to growth measures and total shareholder return); Market share; Earnings per share (actual or targeted growth); Earnings before interest, taxes, depreciation, and amortization (“EBITDA”); Economic value added (“EVA®”); Cash flow measures (including but not limited to net cash flow and net cash flow before financing activities); Return measures (including but not limited to return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors’ capital and return on average equity); Operating measures (including operating income, funds from operations, cash from operations, after-tax operating income and sales volumes); Expense measures (including but not limited to finding and development costs, overhead cost and general and administrative expense); Margins; Proceeds from dispositions; Total market value; and Corporate values measures (including ethics compliance, environmental, and safety).

Unless otherwise stated, such a performance goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). In interpreting Plan provisions applicable to qualified performance Awards, it is the intent of the Plan to conform with the standards of Section 162(m) of the Code and Treasury Regulation §1.162-27(e)(2)(i), as to grants to those participants whose compensation is, or is likely to be, subject to Section 162(m) of the Code, and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions. Prior to the payment of any compensation based on the achievement of performance goals for qualified performance Awards, the Committee must certify in writing that applicable performance goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions, and limitations applicable to any qualified performance Awards made pursuant to the Plan shall be determined by the Committee.

7. Assignability

Awards granted under the Plan shall not be assignable or otherwise transferable by the recipient except by will or the laws of descent and distribution. Otherwise, Awards granted under this Plan shall be exercisable during the lifetime of the recipient, to the extent applicable, (except as otherwise provided in the Plan or in the documentation of the grant for Awards other than “incentive stock options”) only by the recipient for his or her individual account, and no purported assignment or transfer of such Awards thereunder, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right therein whatsoever but immediately upon any such purported assignment or transfer, or any attempt to make the same, such Awards thereunder shall terminate and become of no further effect.

8. Taxes

Withholding of any taxes may be satisfied by (i) transfer to the Company of shares of Common Stock theretofore and by the holder of the Award or (ii) withholding from the shares of Common Stock otherwise deliverable under the Award, in either case, with respect to which withholding is required, up to the maximum tax rate applicable to the participant, as determined by the Committee. If shares of Common Stock are used to satisfy tax withholding, such shares of Common Stock shall be valued based on the Fair Market Value when the tax withholding is required to be made. An optionee's election pursuant to this section must be made on or before the date of exercise or vesting and must be irrevocable. The Committee may make such other provisions and rules as it may deem appropriate for the withholding of taxes in connection with any Awards granted under the Plan.

9. Reorganizations and Recapitalizations of the Company

(a) The existence of this Plan and Awards granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the shares of Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Except as hereinafter provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards granted hereunder.

(c) If, and whenever, prior to the delivery by the Company or a subsidiary of all of the shares of Common Stock which are subject to the Awards or rights granted hereunder, the Company shall effect a subdivision or consolidation of shares or other capital readjustments, the payment of a stock dividend or other increase or reduction of the number of shares of the Common Stock outstanding without receiving compensation therefore in money, services or property, the number of shares of Common Stock subject to the Plan shall be proportionately adjusted and the number of shares of Common Stock with respect to which outstanding Awards or other property subject to an outstanding Award granted hereunder shall:

(i) in the event of an increase in the number of outstanding shares of Common Stock, be proportionately increased, and the cash consideration (if any) payable per share of Common Stock shall be proportionately reduced; and

(ii) in the event of a reduction in the number of outstanding shares of Common Stock, be proportionately reduced, and the cash consideration (if any) payable per share of Common Stock shall be proportionately increased.

(d) If the Company merges with one or more corporations, or consolidates with one or more corporations and the Company shall be the surviving corporation, thereafter, upon any exercise of Awards granted hereunder, the recipient shall, at no additional cost (other than the option price, if any) be entitled to receive (subject to any required action by stockholders) in lieu of the number of shares of Common Stock as to which such Awards shall then be exercisable or vested the number and class of shares of stock or other securities to which the recipient would have been entitled pursuant to the terms of the agreement of merger or consolidation, if immediately prior to such merger or consolidation the recipient had been the holder of record of the number of shares of Common Stock of the Company equal to the number of shares of Common Stock as to which such Awards shall be exercisable or vested. Upon any reorganization, merger or consolidation where the Company is not the surviving corporation or upon liquidation or dissolution of the Company, unless provisions are made in connection with such reorganization, merger or consolidation for the assumption of such Awards, all outstanding Awards shall be fully exercisable and vested by the Company and all holders given notice to permit exercise for 30 days prior to cancellation of the Awards as of the effective date of any such reorganization, merger or consolidation, or of any dissolution or liquidation of the Company.

(e) The Committee shall have the authority to determine whether this Section 9 applies to any transaction or event and to determine any adjustment or other action that it deems appropriate under this Section 9.

10. Registration under Securities Act of 1933 and Exchange Listing

It is intended that the Awards and shares of Common Stock covered by the Plan will be registered under the Securities Act of 1933, as amended. At the time any shares of Common Stock are issued or transferred pursuant to an Award, such shares of Common Stock will have been listed (or listed subject to notice of issuance) on the NYSE.

11. Plan Term

The Plan became effective January 17, 2008 upon stockholder approval at the Company's 2008 annual general meeting of stockholders. The Plan was amended by the Committee effective as of April 17, 2008 and June 30, 2013 and was thereafter amended and restated effective as of July 19, 2017. No Awards shall be granted pursuant to the Plan after January 17, 2018.

12. Amendment or Termination

The Board may amend, alter, suspend or discontinue the Plan at any time insofar as permitted by law, but no amendment or alteration shall be made without the approval of the stockholders of the Company:

(a) if, except as contemplated by Section 9 hereof, the amendment would permit the decrease of the purchase price of a Stock Option after the grant of the Stock Option or grant to the holder of an outstanding Stock Option, a new Stock Option with a lower purchase price in exchange for the outstanding Stock Option; or

(b) if the amendment or alteration would constitute a material revision to the Plan requiring stockholder approval under applicable legal requirements or the applicable requirements of the NYSE or such other securities exchange on which the Company's Common Stock is listed.

No amendment of the Plan shall alter or impair any of the rights or obligations of any person, without his or her consent, under any Stock Option or right theretofore granted under the Plan.

13. Government Regulations

Notwithstanding any of the provisions hereof or of any Award granted hereunder, the obligation of the Company or any subsidiary to sell and deliver shares of Common Stock under such Award to make cash payments in respect thereto shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required, and the recipient shall not exercise or convert any Award granted hereunder, and that neither the Company nor any subsidiary will be obligated to issue any shares of Common Stock or make any payments under any such Award if the exercise thereof or if the issuance of such shares of Common Stock or if the payment made constitutes, or may constitute a violation by the recipient or the Company or any subsidiary of any provision of any applicable law, rule or regulation of any governmental authority or national securities exchanges.

14. Non-United States Participants

The Committee may grant awards to persons outside the United States under such terms and conditions as may, in the judgment of the Committee, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions and, to that end, may establish sub-plans, modified option exercise procedures and other terms and procedures. Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act, the Code, any securities law, any governing statute, or any other applicable law.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer on the date first written above.

SCHLUMBERGER LIMITED

By: /s/ Paal Kibsgaard
Paal Kibsgaard

Title: Chairman & CEO

SCHLUMBERGER
2010 OMNIBUS STOCK INCENTIVE PLAN
(Amended and Restated as of July 19, 2017)

1. *Objectives.* This Schlumberger 2010 Omnibus Stock Incentive Plan (this “Plan”) was adopted by Schlumberger Limited (the “Company”) in order to retain employees with a high degree of training, experience and ability, to attract new employees whose services are considered particularly valuable, to encourage the sense of proprietorship of such persons and to promote the active interest of such persons in the development and financial success of the Company and its Subsidiaries. These objectives are to be accomplished by making Awards under this Plan and thereby providing Participants with a proprietary interest in the growth and performance of the Company and its Subsidiaries.

2. *Definitions.* As used herein, the terms set forth below shall have the following respective meanings:

“Award” means the grant of any Option, Stock Appreciation Right, Stock Award, Cash Award or Performance Award, whether granted singly, in combination or in tandem, to a Participant pursuant to such applicable terms, conditions and limitations as the Committee may establish in accordance with the objectives of this Plan.

“Award Agreement” means the document (in written or electronic form) communicating the terms, conditions and limitations applicable of an Award. The Committee may, in its discretion, require that the Participant execute such Award Agreement, or may provide for procedures through which Award Agreements are made available but not executed. Any Participant who is granted an Award and who does not affirmatively reject the applicable Award Agreement shall be deemed to have accepted the terms of Award as embodied in the Award Agreement.

“Board” means the board of directors of the Company.

“Cash Award” means an Award denominated in cash.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” means the Compensation Committee of the Board, and any successor committee thereto or such other committee of the Board as may be designated by the Board to administer this Plan in whole or in part including any subcommittee of the Board as designated by the Board.

“Common Stock” means the Common Stock, par value \$0.01 per share, of the Company.

“Dividend Equivalents” means, with respect to shares of Restricted Stock or Restricted Stock Units, with respect to which shares are to be issued at the end of the Restriction Period, an amount equal to all dividends and other distributions (or the economic equivalent thereof) that are payable to shareholders of record during the Restriction Period on a like number of shares of Common Stock.

“Employee” means an employee of the Company or any of its Subsidiaries and an individual who has agreed to become an employee of the Company or any of its Subsidiaries and actually becomes such an employee within the following six months.

“Executive Officer” means a “covered employee” within the meaning of Section 162(m)(3) or any other executive officer designated by the Committee for purposes of exempting compensation payable under this Plan from the deduction limitations of Section 162(m).

“Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there shall have been no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded shall be the Fair Market Value.

“Incentive Option” means an Option that is intended to comply with the requirements set forth in Section 422 of the Code.

“Non-Qualified Option” means an Option that is not intended to comply with the requirements set forth in Section 422 of the Code.

“Option” means a right to purchase a specified number of shares of Common Stock at a specified price.

“Participant” means an Employee to whom an Award has been made under this Plan.

“Performance Award” means an award made pursuant to this Plan to a Participant, which Award is subject to the attainment of one or more Performance Goals.

“Performance Goal” means a standard established by the Committee, to determine in whole or in part whether a Performance Award shall be earned.

“Restricted Stock” means any Common Stock that is restricted or subject to forfeiture provisions.

“Restricted Stock Unit” means a unit evidencing the right to receive one share of Common Stock or equivalent value (as determined by the Committee) that is restricted or subject to forfeiture provisions.

“Restriction Period” means a period of time beginning as of the date upon which an Award of Restricted Stock or Restricted Stock Units is made pursuant to this Plan and ending as of the date upon which the Common Stock subject to such Award is issued (if not previously issued) no longer restricted or subject to forfeiture provisions.

“Section 162(m)” means Section 162(m) of the Code and any Treasury Regulations and guidance promulgated thereunder.

“Section 409A” means Section 409A of the Code and any Treasury Regulations and guidance promulgated thereunder.

“Stock Appreciation Right” or “SAR” means a right to receive a payment, in cash or Common Stock, equal to the excess of the Fair Market Value or other specified valuation of a specified number of shares of Common Stock on the date the right is exercised over a specified strike price, in each case, as determined by the Committee.

“Stock Award” means an award in the form of shares of Common Stock or units denominated in shares of Common Stock.

“Subsidiary” means (i) in the case of a corporation, a “subsidiary corporation” of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

3. *Eligibility.* All Employees of the Company or a Subsidiary are eligible for Awards under this Plan in the sole discretion of the Committee. No director of the Company who is not also an employee is eligible to participate in the Plan, nor is any employee who owns directly or indirectly stock possessing more than five percent (5%) of the total combined voting power or value of all classes of stock of the Company or any Subsidiary.

4. *Common Stock Available for Awards.* Subject to the provisions of paragraph 13 hereof, there shall be available for Awards under this Plan granted wholly or partly in Common Stock (including rights or options that may be exercised for or settled in Common Stock) an aggregate of 30 million shares of Common Stock. No more than 3 million shares of Common Stock may be the subject of Awards that are not Options or Stock Appreciation Rights. In the sole discretion of the Committee, 30 million shares of Common Stock may be granted as Incentive Options.

(a) In connection with the granting of an Option or other Award, the number of shares of Common Stock available for issuance under this Plan shall be reduced by the number of shares of Common Stock in respect of which the Option or Award is granted or denominated. For example, upon the grant of stock-settled SARs, the number of shares of Common Stock available for issuance under this Plan shall be reduced by the full number of SARs granted, and the number of shares of Common Stock available for issuance under this Plan shall not thereafter be increased upon the exercise of the SARs and settlement in shares of Common Stock, even if the actual number of shares of Common Stock delivered in settlement of the SARs is less than the full number of SARs exercised. However, Awards that by their terms do not permit settlement in shares of Common Stock shall not reduce the number of shares of Common Stock available for issuance under this Plan.

(b) Any shares of Common Stock that are tendered by a Participant or withheld as full or partial payment of withholding or other taxes or as payment for the exercise or conversion price of an Award under this Plan shall not be added back to the number of shares of Common Stock available for issuance under this Plan.

(c) Whenever any outstanding Option or other Award (or portion thereof) expires, is cancelled or forfeited or is otherwise terminated for any reason without having been exercised or payment having been made in the form of shares of Common Stock, the number of shares of

Common Stock available for issuance under this Plan shall be increased by the number of shares of Common Stock allocable to the expired, forfeited, cancelled or otherwise terminated Option or other Award (or portion thereof). To the extent that any Award is forfeited, or any Option or SAR terminates, expires or lapses without being exercised, the shares of Common Stock subject to such Awards will not be counted as shares delivered under this Plan.

(d) Shares of Common Stock delivered under the Plan in settlement of an Award issued or made (i) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an acquired entity or (ii) as a post-transaction grant under such a plan or arrangement of an acquired entity shall not reduce or be counted against the maximum number of shares of Common Stock available for delivery under the Plan, to the extent that the exemption for transactions in connection with mergers and acquisitions from the shareholder approval requirements of the New York Stock Exchange for equity compensation plans applies.

(e) Awards valued by reference to Common Stock that may be settled in equivalent cash value will count as shares of Common Stock delivered to the same extent as if the Award were settled in shares of Common Stock.

Consistent with the requirements specified above in this paragraph 4, the Committee may from time to time adopt and observe such procedures concerning the counting of shares against this Plan maximum as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national securities exchange on which the Common Stock is listed or any applicable regulatory requirement. The Committee and the appropriate officers of the Company shall be authorized to, from time to time, take all such actions as any of them may determine are necessary or appropriate to file any documents with governmental authorities, stock exchanges and transaction reporting systems as may be required to ensure that shares of Common Stock are available for issuance pursuant to Awards.

5. Administration.

(a) *Authority of the Committee.* This Plan shall be administered by the Committee, which shall have the powers vested in it by the terms of this Plan, such powers to include the authority (within the limitations described in this Plan):

- to select the Employees to be granted Awards under this Plan;
- to determine the terms of Awards to be made to each Participant;
- to determine the time when Awards are to be granted and any conditions that must be satisfied before an Award is granted;
- to establish objectives and conditions for earning Awards;
- to determine the terms and conditions of Award Agreements (which shall not be inconsistent with this Plan) and which parties must sign each Award Agreement;
- to determine whether the conditions for earning an Award have been met and whether a Performance Award will be paid at the end of an applicable performance period;
- except as otherwise provided in paragraphs 7(a) and 11, to modify the terms of Awards made under this Plan;
- to determine if, when and under what conditions payment of all or any part of an Award may be deferred;

- to determine whether the amount or payment of an Award should be reduced or eliminated;
- to determine the guidelines and/or procedures for the payment or exercise of Awards; and
- to determine whether a Performance Award should qualify, regardless of its amount, as deductible in its entirety for federal income tax purposes, including whether a Performance Award granted to an Executive Officer should qualify as performance-based compensation.

The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Committee deems necessary or desirable to further Plan purposes. Any decision of the Committee in the interpretation and administration of this Plan shall lie within its sole discretion and shall be final, conclusive and binding on all parties concerned. All decisions and selections made by the Committee pursuant to the provisions of the Plan shall be made by a majority of its members unless subject to the Committee's delegation of authority pursuant to paragraph 6 herein.

(b) *Limitation of Liability.* No member of the Committee or officer of the Company to whom the Committee has delegated authority in accordance with the provisions of paragraph 6 of this Plan shall be liable for anything done or omitted to be done by him or her, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

(c) *Prohibition on Repricing of Awards.* No Option or SAR may be repriced, replaced, regranted through cancellation or modified without shareholder approval (except in connection with a change in the Company's capitalization), if the effect would be to reduce the exercise price for the shares underlying such Option or SAR.

6. *Delegation of Authority.* Except with respect to matters related to Awards to Executive Officers or other Awards intended to qualify as qualified performance-based compensation under Section 162(m), the Committee may delegate to the Chief Executive Officer and to other senior officers of the Company or to such other committee of the Board its duties under this Plan pursuant to such conditions or limitations as the Committee may establish.

7. *Awards.*

(a) The Committee shall determine the type or types of Awards to be made under this Plan and shall designate from time to time the Participants who are to be the recipients of such Awards. Each Award shall be embodied in an Award Agreement, which shall contain such terms, conditions and limitations as shall be determined by the Committee in its sole discretion. Awards may consist of those listed in this paragraph 7(a) and may be granted singly, in combination or in tandem. Awards may also be made in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other plan of the Company or any of its Subsidiaries, including the plan of any acquired entity; provided that, except as contemplated in paragraph 13 hereof, no Option may be issued in exchange for the cancellation of an Option with a higher exercise price nor may the exercise price of any Option be reduced. No Option may include provisions that "reload" the option upon exercise or that extend the term of an Option beyond what is the maximum period is specified in the Plan and/or

Award Agreement. All or part of an Award may be subject to conditions established by the Committee, which may include, but are not limited to, continuous service with the Company and its Subsidiaries, achievement of specific Performance Goals. Upon the termination of employment by a Participant, any unexercised, deferred, unvested or unpaid Awards shall be treated as set forth in the applicable Award Agreement. Subject to the provisions below applicable to each type of Award, the terms, conditions and limitations applicable to any Awards shall be determined by the Committee.

(i) *Option*. An Award may be in the form of an Option. An Option awarded pursuant to this Plan may consist of an Incentive Option or a Non-Qualified Option and will be designated accordingly at the time of grant. The price at which shares of Common Stock may be purchased upon the exercise of an Option shall be not less than the Fair Market Value of the Common Stock on the date of grant. The term of an Option shall not exceed ten years from the date of grant.

(ii) *Stock Appreciation Right*. An Award may be in the form of a Stock Appreciation Right. The strike price for a Stock Appreciation Right shall not be less than the Fair Market Value of the Common Stock on the date on which the Stock Appreciation Right is granted. The term of a Stock Appreciation Right shall not exceed ten years from the date of grant.

(iii) *Stock Award*. An Award may be in the form of a Stock Award. Any Stock Award which is not a Performance Award shall have a minimum Restriction Period of three years from the date of grant, provided that (i) the Committee may provide for earlier vesting following a change of control or other specified events involving the Company or upon an Employee's termination of employment by reason of death, disability or retirement, and (ii) vesting of a Stock Award may occur incrementally over the three-year minimum Restricted Period; provided, that up to 1.5 million shares of Common Stock shall be available for issuance as Stock Awards having a time-based Restriction Period of up to three years but not less than one year.

(iv) *Cash Awards*. An Award may be in the form of a Cash Award.

(v) *Performance Award*. Without limiting the type or number of Awards that may be made under the other provisions of this Plan, an Award may be in the form of a Performance Award. Any Stock Award which is a Performance Award shall have a minimum Restriction Period of one year from the date of grant, provided that the Committee may provide for earlier vesting following a change of control or other specified events involving the Company, or upon a termination of employment by reason of death, disability or retirement, or termination of service subject to the limitations specified below. The Committee shall set Performance Goals in its sole discretion which, depending on the extent to which they are met, will determine the value and/or amount of Performance Awards that will be paid out to the Participant and/or the portion of an Award that may be exercised.

(A) *Non-Qualified Performance Awards*. Performance Awards granted to Employees that are not intended to qualify as qualified performance-based compensation under Section 162(m) shall be based on achievement of such Performance Goals and be subject to such terms, conditions and restrictions as the Committee or its delegate shall determine.

(B) *Qualified Performance Awards*. Performance Awards that are intended to qualify as qualified performance-based compensation under Section 162(m) shall be paid, vested or otherwise deliverable solely on account of the attainment of one or more pre-established,

objective Performance Goals established and administered by the Committee in accordance with Section 162(m) prior to the earlier to occur of (x) 90 days after the commencement of the period of service to which the Performance Goal relates and (y) the lapse of 25% of the period of service (as scheduled in good faith at the time the goal is established), and in any event while the outcome is substantially uncertain. A Performance Goal is objective if a third party having knowledge of the relevant facts could determine whether the goal is met. Such a Performance Goal may be based on one or more business criteria that apply to a Participant, one or more business units, divisions or sectors of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies. A Performance Goal may include one or more of the following and need not be the same for each Participant.

- revenue and income measures (which include revenue, gross margin, income from operations, net income, net sales, earnings per share, earnings before interest, taxes, depreciation and amortization (“EBIDTA”), and economic value added (“EVA”));
- expense measures (which include costs of goods sold, selling, finding and development costs, general and administrative expenses and overhead costs);
- operating measures (which include productivity, operating income, funds from operations, cash from operations, after-tax operating income, market share, margin and sales volumes);
- cash flow measures (which include net cash flow from operating activities and working capital);
- liquidity measures (which include earnings before or after the effect of certain items such as interest, taxes, depreciation and amortization, and free cash flow);
- leverage measures (which include debt-to-equity ratio and net debt);
- market measures (which include market share, stock price, growth measure, total shareholder return and market capitalization measures);
- return measures (which include return on equity, return on assets and return on invested capital);
- corporate value measures (which include compliance, safety, environmental and personnel matters); and
- other measures such as those relating to acquisitions, dispositions or customer satisfaction.

Unless otherwise stated, such a Performance Goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo, performance relative to a peer group determined by the Committee or limiting economic losses (measured, in each case, by reference to specific business criteria). In interpreting Plan provisions applicable to Performance Goals and qualified Performance Awards, it is the intent of this Plan to conform with Section 162(m), including, without limitation, Treasury Regulation §1.162-27(e)(2)(i), as to grants pursuant to this subsection and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions. Prior to the payment of any compensation based on the achievement of

Performance Goals applicable to qualified Performance Awards, the Committee must certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any qualified Performance Awards made pursuant to this Plan shall be determined by the Committee to the extent permitted by Section 162(m).

(b) The Committee shall adjust the Performance Goals (either up or down) and the level of the Performance Award that a Participant may earn under this Plan, but only to the extent permitted pursuant to Section 162(m), if it determines that the occurrence of external changes or other unanticipated business conditions have materially affected the fairness of the goals and have unduly influenced the Company's ability to meet them, including without limitation, events such as material acquisitions, changes in the capital structure of the Company, and extraordinary accounting changes. In addition, Performance Goals and Performance Awards shall be calculated without regard to any changes in accounting standards that may be required by the Financial Accounting Standards Board after such Performance Goals are established.

(c) Notwithstanding anything to the contrary contained in this Plan, no Participant may be granted, during any one-year period, Awards collectively consisting of (i) Options or Stock Appreciation Rights that are exercisable for or (ii) Stock Awards covering or relating to more than 1,000,000 shares of Common Stock (the limitation referred to as the "Stock-based Awards Limitations"). No Plan Participant who is an employee may be granted Awards consisting of cash (including Cash Awards that are granted as Performance Awards) in respect of any calendar year having a value determined on the Grant Date in excess of \$20,000,000.

8. Award Payment; Dividends; Substitution; Fractional Shares.

(a) *General.* Payment of Awards may be made in the form of cash or Common Stock, or a combination thereof, and may include such restrictions as the Committee shall determine, including, in the case of Common Stock, restrictions on transfer and forfeiture provisions. If payment of an Award is made in the form of Restricted Stock, the applicable Award Agreement relating to such shares shall specify whether they are to be issued at the beginning or end of the Restriction Period. In the event that shares of Restricted Stock are to be issued at the beginning of the Restriction Period, the certificates evidencing such shares (to the extent that such shares are so evidenced) shall contain appropriate legends and restrictions that describe the terms and conditions of the restrictions applicable thereto. In the event that shares of Restricted Stock are to be issued at the end of the Restriction Period, the right to receive such shares shall be evidenced by book entry registration or in such other manner as the Committee may determine.

(b) *Dividends and Interest.* Rights to dividends or Dividend Equivalents may be extended to and made part of any Stock Awards, subject to such terms, conditions and restrictions as the Committee may establish. The Committee may also establish rules and procedures for the crediting of interest on deferred cash payments and Dividend Equivalents for Stock Awards.

(c) *Fractional Shares.* No fractional shares shall be issued or delivered pursuant to any Award under this Plan. The Committee shall determine whether cash, Awards or other property shall be issued or paid in lieu of fractional shares, or whether fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

9. *Stock Option Exercise.* The price at which shares of Common Stock may be purchased under an Option shall be paid in full at the time of exercise in cash or, if elected by the Participant, the Participant may purchase such shares either by means of tendering Common

Stock or by authorizing the Company to withhold a number of shares of Common Stock otherwise deliverable on the exercise of the Options, in either case valued at Fair Market Value on the date of exercise, or any combination thereof. The Committee, in its sole discretion, shall determine acceptable methods for Participants to tender Common Stock or other Awards. In accordance with the rules and procedures established by the Committee for this purpose and subject to applicable law, Options may also be exercised through “cashless exercise” procedures approved by the Committee involving a broker or dealer approved by the Committee.

10. *Taxes.* The Company shall have the right to deduct applicable taxes from any Award payment and withhold, at the time of delivery or vesting of cash or shares of Common Stock under this Plan, an appropriate amount of cash or number of shares of Common Stock or a combination thereof for payment of taxes required by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes. Withholding of any taxes may be satisfied by (i) the transfer to the Company of shares of Common Stock theretofore owned by the holder of the Award or (ii) withholding from the shares of Common Stock otherwise deliverable under the Award, in either case, with respect to which withholding is required, up to the maximum tax rate applicable to the Participant, as determined by the Committee. If shares of Common Stock are used to satisfy tax withholding, such shares shall be valued based on the Fair Market Value when the tax withholding is required to be made.

11. *Amendment, Modification, Suspension or Termination.* The Board or the Committee may amend, modify, suspend or terminate this Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law, except that (i) no amendment or alteration that would materially adversely affect the rights of any Participant under any Award previously granted to such Participant shall be made without the consent of such Participant and (ii) no amendment or alteration shall be effective prior to its approval by the shareholders of the Company to the extent shareholder approval is otherwise required by applicable legal requirements or the requirements of any exchange on which the Common Stock is listed. Notwithstanding the foregoing, no amendment may cause an Option or SAR to be repriced, replaced, regranted through cancellation or modified without shareholder approval (except in connection with a change in the Company’s capitalization as provided in paragraph 13), if the effect of such amendment would be to reduce the exercise price for the shares underlying such Option or SAR.

12. *Assignability.* Unless otherwise determined by the Committee in the Award Agreement, no Award or any other benefit under this Plan shall be assignable or otherwise transferable. Any attempted assignment of an Award or any other benefit under this Plan in violation of this paragraph 12 shall be null and void.

13. *Adjustments.*

(a) The existence of this Plan and Awards granted hereunder shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustments, recapitalizations, reorganizations or other changes in the Company’s capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the shares of Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Except as hereinafter provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards granted hereunder.

(c) The shares of Common Stock with respect to which Awards may be granted hereunder are shares of the Common Stock of the Company as presently constituted, but if, and whenever, prior to the delivery by the Company or a subsidiary of all of the shares of Common Stock which are subject to the Awards or rights granted hereunder, the Company shall effect a subdivision or consolidation of shares or other capital readjustments, the payment of a stock dividend or other increase or reduction of the number of shares of the Common Stock outstanding without receiving compensation therefore in money, services or property, the number of shares of Common Stock subject to the Plan, as well as the Stock-based Awards Limitations described in paragraph 7(c) hereof, shall be proportionately adjusted and the number of shares of Common Stock with respect to which outstanding Awards or other property subject to an outstanding Award granted hereunder shall:

(i) in the event of an increase in the number of outstanding shares, be proportionately increased, and the cash consideration (if any) payable per share of Common Stock shall be proportionately reduced; and

(ii) in the event of a reduction in the number of outstanding shares, be proportionately reduced, and the cash consideration (if any) payable per share of Common Stock shall be proportionately increased.

(d) In the event of a corporate merger, consolidation, acquisition of property or stock, separation, spinoff, reorganization or liquidation, the Board may make such adjustments to Awards or other provisions for the disposition of Awards as it deems equitable, and shall be authorized, in its sole discretion, (i) to provide for the substitution of a new Award or other arrangement (which, if applicable, may be exercisable for such property or stock as the Board determines) for an Award or the assumption of the Award, regardless of whether in a transaction to which Section 424(a) of the Code applies, (ii) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award, or (iii) to cancel any such Awards and to deliver to the Participants cash in an amount that the Board shall determine in its sole discretion is equal to the fair market value of such Awards on the date of such event, which in the case of Options or Stock Appreciation Rights shall be the excess of the Fair Market Value of Common Stock on such date over the exercise price of such Award (for the avoidance of doubt, if the exercise price is less than Fair Market Value the Option or Stock Appreciation Right may be canceled for no consideration).

(e) Notwithstanding the foregoing: (i) any adjustments made pursuant to paragraph 13 to Awards that are considered “deferred compensation” within the meaning of Section 409A shall be made in a manner which is intended to not result in accelerated or additional tax to a Participant pursuant to Section 409A; (ii) any adjustments made pursuant to paragraph 13 to Awards that are not considered “deferred compensation” subject to Section 409A of the Code shall be made in such a manner intended to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) do not result in accelerated or additional tax to a Participant pursuant to Section 409A of the Code; and (iii) in any event, neither the Committee nor the Board shall have the authority to make any adjustments pursuant

to paragraph 13 to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the date of grant to be subject thereto as of the date of grant.

14. *Restrictions.* No Common Stock or other form of payment shall be issued with respect to any Award unless the Company shall be satisfied based on the advice of its counsel that such issuance will be in compliance with including, but not limited to, applicable federal and state securities laws. The Participant shall not exercise or settle any Award granted hereunder, and the Company or any Subsidiary will not be obligated to issue any shares of Common Stock or make any payments under any such Award if the exercise thereof or if the issuance of such shares of Common Stock or if the payment made shall constitute a violation by the recipient or the Company or any subsidiary of any provision of any applicable law or regulation of any governmental authority or any securities exchange on which the Common Stock is listed. Certificates evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation and any applicable federal or state securities law. The Committee may cause a legend or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.

15. *Unfunded Plan.* Insofar as it provides for Awards of cash, Common Stock or rights thereto, this Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are entitled to cash, Common Stock or rights thereto under this Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Common Stock or rights thereto, nor shall this Plan be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto to be granted under this Plan. Any liability or obligation of the Company to any Participant with respect to an Award of cash, Common Stock or rights thereto under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Award Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company nor the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan.

16. *Section 409A.* This Plan is intended to provide compensation which is exempt from or which complies with Section 409A, and ambiguous provisions, if any, shall be construed in a manner that is compliant with or exempt from the application of Section 409A, as appropriate. This Plan shall not be amended in a manner that would cause the Plan or any amounts payable under the Plan to fail to comply with the requirements of Section 409A, to the extent applicable, and, further, the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Plan. The Company shall neither cause nor permit any payment, benefit or consideration to be substituted for a benefit that is payable under this Plan if such action would result in the failure of any amount that is subject to Section 409A to comply with the applicable requirements of Section 409A. For purposes of Section 409A, each payment under this Plan shall be deemed to be a separate payment. Notwithstanding any provision of this Plan to the contrary, if the Participant

is a “specified employee” within the meaning of Section 409A as of the date of the Participant’s termination of employment and the Company determines, in good faith, that immediate payment of any amounts or benefits under this Plan would cause a violation of Section 409A, then any amounts or benefits which are payable under this Plan upon the Participant’s “separation from service” within the meaning of Section 409A which (i) are subject to the provisions of Section 409A; (ii) are not otherwise excluded under Section 409A; and (iii) would otherwise be payable during the first six-month period following such separation from service, shall be paid on the first business day next following the earlier of (1) the date that is six months and one day following the date of termination or (2) the date of the Participant’s death.

17. *Governing Law.* This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Texas.

18. *No Right to Employment.* Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or a Subsidiary to terminate any Participant’s employment or other service relationship at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or any Subsidiary.

19. *Successors.* All obligations of the Company under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

20. *Tax Consequences.* Nothing in this Plan or an Award Agreement shall constitute a representation by the Company to a Participant regarding the tax consequences of any Award received by a Participant under this Plan. Although the Company may endeavor to (i) qualify a Performance Award for favorable U.S. or foreign tax treatment or (ii) avoid adverse tax treatment (e.g. under Section 409A), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or unavoidable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Performance Awards under this Plan.

21. *Non-United States Participants.* The Committee may grant awards to persons outside the United States under such terms and conditions as may, in the judgment of the Committee, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions and, to that end, may establish sub-plans, modified vesting, exercise or settlement procedures and other terms and procedures. Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Securities Exchange Act of 1934, the Code, any securities law, any governing statute, or any other applicable law.

22. *Effectiveness.* This Plan became effective January 21, 2010 upon its approval by the stockholders of the Company at the 2010 annual general meeting of stockholders. This Plan was amended by the Committee effective as of June 30, 2013 and was thereafter amended and restated effective as of July 19, 2017. This Plan shall continue in effect for a term of ten years after the date on which the stockholders of the Company approve this Plan, unless sooner terminated by action of the Board.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer on the date first written above.

SCHLUMBERGER LIMITED

By: /s/ Paal Kibsgaard
Paal Kibsgaard

Title: Chairman & CEO

SCHLUMBERGER
2013 OMNIBUS STOCK INCENTIVE PLAN
(Amended and Restated as of July 19, 2017)

1. *Objectives.* This Schlumberger 2013 Omnibus Stock Incentive Plan (this “Plan”) was adopted by Schlumberger Limited (the “Company”) in order to retain employees with a high degree of training, experience and ability, to attract new employees whose services are considered particularly valuable, to encourage the sense of proprietorship of such persons and to promote the active interest of such persons in the development and financial success of the Company and its Subsidiaries. These objectives are to be accomplished by making Awards under this Plan and thereby providing Participants with a proprietary interest in the growth and performance of the Company and its Subsidiaries.

2. *Definitions.* As used herein, the terms set forth below shall have the following respective meanings:

“Award” means the grant of any Option, Stock Appreciation Right, Stock Award, Cash Award or Performance Award, whether granted singly, in combination or in tandem, to a Participant pursuant to such applicable terms, conditions and limitations as the Committee may establish in accordance with the objectives of this Plan.

“Award Agreement” means the document (in written or electronic form) communicating the terms, conditions and limitations applicable of an Award. The Committee may, in its discretion, require that the Participant execute such Award Agreement, or may provide for procedures through which Award Agreements are made available but not executed. Any Participant who is granted an Award and who does not affirmatively reject the applicable Award Agreement shall be deemed to have accepted the terms of Award as embodied in the Award Agreement.

“Board” means the board of directors of the Company.

“Cash Award” means an Award denominated in cash.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board, and any successor committee thereto or such other committee of the Board as may be designated by the Board to administer this Plan in whole or in part including any subcommittee of the Board as designated by the Board.

“Common Stock” means the Common Stock, par value \$0.01 per share, of the Company. “Dividend Equivalents” means, with respect to shares of Restricted Stock or Restricted

Stock Units, with respect to which shares are to be issued at the end of the Restriction Period, an amount equal to all dividends and other distributions (or the economic equivalent thereof) that are payable to shareholders of record during the Restriction Period on a like number of shares of Common Stock.

“Employee” means an employee of the Company or any of its Subsidiaries and an individual who has agreed to become an employee of the Company or any of its Subsidiaries and actually becomes such an employee within the following six months.

“Executive Officer” means a “covered employee” within the meaning of Section 162(m)(3) or any other executive officer designated by the Committee for purposes of exempting compensation payable under this Plan from the deduction limitations of Section 162(m).

“Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there shall have been no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded shall be the Fair Market Value.

“Incentive Option” means an Option that is intended to comply with the requirements set forth in Section 422 of the Code.

“Non-Qualified Option” means an Option that is not intended to comply with the requirements set forth in Section 422 of the Code.

“Option” means a right to purchase a specified number of shares of Common Stock at a specified price.

“Participant” means an Employee to whom an Award has been made under this Plan.

“Performance Award” means an award made pursuant to this Plan to a Participant, which Award is subject to the attainment of one or more Performance Goals.

“Performance Goal” means one or more standards established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

“Restricted Stock” means any Common Stock that is restricted or subject to forfeiture provisions.

“Restricted Stock Unit” means a unit evidencing the right to receive one share of Common Stock or equivalent value (as determined by the Committee) that is restricted or subject to forfeiture provisions.

“Restriction Period” means a period of time beginning as of the date upon which an Award of Restricted Stock or Restricted Stock Units is made pursuant to this Plan and ending as of the date upon which the Common Stock subject to such Award is issued (if not previously issued) no longer restricted or subject to forfeiture provisions.

“Section 162(m)” means Section 162(m) of the Code and any Treasury Regulations and guidance promulgated thereunder.

“Section 409A” means Section 409A of the Code and any Treasury Regulations and guidance promulgated thereunder.

“Stock Appreciation Right” or “SAR” means a right to receive a payment, in cash or Common Stock, equal to the excess of the Fair Market Value or other specified valuation of a specified number of shares of Common Stock on the date the right is exercised over a specified strike price, in each case, as determined by the Committee.

“Stock Award” means an award in the form of shares of Common Stock or units denominated in shares of Common Stock.

“Subsidiary” means (i) in the case of a corporation, a “subsidiary corporation” of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

3. *Eligibility.* All Employees of the Company or a Subsidiary are eligible for Awards under this Plan in the sole discretion of the Committee. No director of the Company who is not also an employee is eligible to participate in the Plan, nor is any employee who owns directly or indirectly stock possessing more than five percent (5%) of the total combined voting power or value of all classes of stock of the Company or any Subsidiary.

4. *Common Stock Available for Awards.* Subject to the provisions of paragraph 13 hereof, there shall be available for Awards under this Plan granted wholly or partly in Common Stock (including rights or options that may be exercised for or settled in Common Stock) an aggregate of 35 million shares of Common Stock. No more than 7.5 million shares of Common Stock may be the subject of Awards that are not Options or Stock Appreciation Rights. In the sole discretion of the Committee, 35 million shares of Common Stock may be granted as Incentive Options.

(a) In connection with the granting of an Option or other Award, the number of shares of Common Stock available for issuance under this Plan shall be reduced by the number of shares of Common Stock in respect of which the Option or Award is granted or denominated. For example, upon the grant of stock-settled SARs, the number of shares of Common Stock available for issuance under this Plan shall be reduced by the full number of SARs granted, and the number of shares of Common Stock available for issuance under this Plan shall not thereafter be increased upon the exercise of the SARs and settlement in shares of Common Stock, even if the actual number of shares of Common Stock delivered in settlement of the SARs is less than the full number of SARs exercised. However, Awards that by their terms do not permit settlement in shares of Common Stock shall not reduce the number of shares of Common Stock available for issuance under this Plan.

(b) Any shares of Common Stock that are tendered by a Participant or withheld as full or partial payment of withholding or other taxes or as payment for the exercise or conversion price of an Option or SAR under this Plan shall not be added back to the number of shares of Common Stock available for issuance under this Plan.

(c) Whenever any outstanding Option or other Award (or portion thereof) expires, is cancelled or forfeited or is otherwise terminated for any reason without having been exercised or payment having been made in the form of shares of Common Stock, the number of shares of Common Stock available for issuance under this Plan shall be increased by the number of shares of Common Stock allocable to the expired, forfeited, cancelled or otherwise terminated Option or other Award (or portion thereof). To the extent that any Award is forfeited, or any Option or SAR terminates, expires or lapses without being exercised, the shares of Common Stock subject to such Awards will not be counted as shares delivered under this Plan.

(d) Shares of Common Stock delivered under the Plan in settlement of an Award issued or made (i) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an acquired entity or (ii) as a post-transaction grant under such a plan or arrangement of an acquired entity shall not reduce or be counted against the maximum number of shares of Common Stock available for delivery under the Plan, to the extent that the exemption for transactions in connection with mergers and acquisitions from the shareholder approval requirements of the New York Stock Exchange for equity compensation plans applies.

(e) Awards valued by reference to Common Stock that may be settled in equivalent cash value will count as shares of Common Stock delivered to the same extent as if the Award were settled in shares of Common Stock.

Consistent with the requirements specified above in this paragraph 4, the Committee may from time to time adopt and observe such procedures concerning the counting of shares against this Plan maximum as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national securities exchange on which the Common Stock is listed or any applicable regulatory requirement. The Committee and the appropriate officers of the Company shall be authorized to, from time to time, take all such actions as any of them may determine are necessary or appropriate to file any documents with governmental authorities, stock exchanges and transaction reporting systems as may be required to ensure that shares of Common Stock are available for issuance pursuant to Awards.

5. Administration.

(a) *Authority of the Committee.* This Plan shall be administered by the Committee, which shall have the powers vested in it by the terms of this Plan, such powers to include the authority (within the limitations described in this Plan):

- to select the Employees to be granted Awards under this Plan;
- to determine the terms of Awards to be made to each Participant;
- to determine the time when Awards are to be granted and any conditions that must be satisfied before an Award is granted;
- to establish objectives and conditions for earning Awards;
- to determine the terms and conditions of Award Agreements (which shall not be inconsistent with this Plan) and which parties must sign each Award Agreement;
- to determine whether the conditions for earning an Award have been met and whether a Performance Award will be paid at the end of an applicable performance period;
- except as otherwise provided in paragraphs 7(a) and 11, to modify the terms of Awards made under this Plan;
- to determine if, when and under what conditions payment of all or any part of an Award may be deferred;

- to determine whether the amount or payment of an Award should be reduced or eliminated;
- to determine the guidelines and/or procedures for the payment or exercise of Awards; and
- to determine whether a Performance Award should qualify, regardless of its amount, as deductible in its entirety for federal income tax purposes, including whether a Performance Award granted to an Executive Officer should qualify as performance-based compensation.

The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Committee deems necessary or desirable to further Plan purposes or so as to avoid unanticipated consequences or address unanticipated events (including any temporary closure of a stock exchange on which the Common Stock is traded, disruption of communications or natural catastrophe) deemed by the Committee to be inconsistent with the purposes of the Plan or any Award Agreement, provided that no such action shall be taken absent shareholder approval to the extent required under Section 11. Any decision of the Committee in the interpretation and administration of this Plan shall lie within its sole discretion and shall be final, conclusive and binding on all parties concerned. All decisions and selections made by the Committee pursuant to the provisions of the Plan shall be made by a majority of its members unless subject to the Committee's delegation of authority pursuant to paragraph 6 herein.

(b) *Limitation of Liability.* No member of the Committee or officer of the Company to whom the Committee has delegated authority in accordance with the provisions of paragraph 6 of this Plan shall be liable for anything done or omitted to be done by him or her, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

(c) *Prohibition on Repricing of Awards.* Other than in connection with a change in the Company's capitalization (as described in Section 13), at any time when the exercise price of an Option or SAR is above the Fair Market Value of a share of Common Stock, the Company shall not, without shareholder approval, reduce the exercise price of such Option or SAR and shall not exchange such Option or SAR for a new Award with a lower (or no) exercise price or for cash.

6. *Delegation of Authority.* Except with respect to matters related to Awards to Executive Officers or other Awards intended to qualify as qualified performance-based compensation under Section 162(m), the Committee may delegate to the Chief Executive Officer and to other senior officers of the Company or to such other committee of the Board its duties under this Plan pursuant to such conditions or limitations as the Committee may establish.

7. *Awards.*

(a) The Committee shall determine the type or types of Awards to be made under this Plan and shall designate from time to time the Participants who are to be the recipients of such Awards. Each Award shall be embodied in an Award Agreement, which shall contain such terms, conditions and limitations as shall be determined by the Committee in its sole discretion. Awards may consist of those listed in this paragraph 7(a) and may be granted singly, in combination or in tandem. Awards may also be made in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other plan of the Company or any of its Subsidiaries, including the plan of any acquired entity; provided that, except as contemplated in paragraph 13 hereof, no Option may be issued

in exchange for the cancellation of an Option with a higher exercise price nor may the exercise price of any Option be reduced. No Option may include provisions that “reload” the option upon exercise or that extend the term of an Option beyond what is the maximum period is specified in the Plan and/or Award Agreement. All or part of an Award may be subject to conditions established by the Committee, which may include, but are not limited to, continuous service with the Company and its Subsidiaries, achievement of specific Performance Goals. Upon the termination of employment by a Participant, any unexercised, deferred, unvested or unpaid Awards shall be treated as set forth in the applicable Award Agreement. Subject to the provisions below applicable to each type of Award, the terms, conditions and limitations applicable to any Awards shall be determined by the Committee.

(i) *Option*. An Award may be in the form of an Option. An Option awarded pursuant to this Plan may consist of an Incentive Option or a Non-Qualified Option and will be designated accordingly at the time of grant. The price at which shares of Common Stock may be purchased upon the exercise of an Option shall be not less than the Fair Market Value of the Common Stock on the date of grant. The term of an Option shall not exceed ten years from the date of grant.

(ii) *Stock Appreciation Right*. An Award may be in the form of a Stock Appreciation Right. The strike price for a Stock Appreciation Right shall not be less than the Fair Market Value of the Common Stock on the date on which the Stock Appreciation Right is granted. The term of a Stock Appreciation Right shall not exceed ten years from the date of grant.

(iii) *Stock Award*. An Award may be in the form of a Stock Award. Any Stock Award which is not a Performance Award shall have a minimum Restriction Period of three years from the date of grant, provided that (i) the Committee may provide for earlier vesting following a change of control or other specified events involving the Company or upon an Employee’s termination of employment by reason of death, disability or retirement, and (ii) vesting of a Stock Award may occur incrementally over the three-year minimum Restricted Period; provided, that up to 1.75 million shares of Common Stock shall be available for issuance as Stock Awards having a time-based Restriction Period of up to three years but not less than one year.

(iv) *Cash Awards*. An Award may be in the form of a Cash Award.

(v) *Performance Award*. Without limiting the type or number of Awards that may be made under the other provisions of this Plan, an Award may be in the form of a Performance Award. Any Stock Award which is a Performance Award shall have a minimum Restriction Period of one year from the date of grant, provided that the Committee may provide for earlier vesting following a change of control or other specified events involving the Company, or upon a termination of employment by reason of death, disability or retirement, or termination of service subject to the limitations specified below. The Committee shall set Performance Goals in its sole discretion which, depending on the extent to which they are met, will determine the value and/or amount of Performance Awards that will be paid out to the Participant and/or the portion of an Award that may be exercised.

(A) *Non-Qualified Performance Awards*. Performance Awards granted to Employees that are not intended to qualify as qualified performance-based compensation under Section 162(m) shall be based on achievement of such Performance Goals and be subject to such terms, conditions and restrictions as the Committee or its delegate shall determine.

(B) *Qualified Performance Awards*. Performance Awards that are intended to qualify as qualified performance-based compensation under Section 162(m) shall be paid, vested or otherwise deliverable solely on account of the attainment of one or more pre-established, objective Performance Goals established and administered by the Committee in accordance with Section 162(m) prior to the earlier to occur of (x) 90 days after the commencement of the period of service to which the Performance Goal relates and (y) the lapse of 25% of the period of service (as scheduled in good faith at the time the goal is established), and in any event while the outcome is substantially uncertain. A Performance Goal is objective if a third party having knowledge of the relevant facts could determine whether the goal is met. Such a Performance Goal may be based on one or more business criteria that apply to a Participant, one or more business units, divisions or sectors of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies. A Performance Goal may include one or more of the following and need not be the same for each Participant.

- revenue and income measures (which include revenue, gross margin, income from operations, net income, net sales, earnings per share, earnings before interest, taxes, depreciation and amortization (“EBITDA”), and economic value added (“EVA”));
- expense measures (which include costs of goods sold, selling, finding and development costs, general and administrative expenses and overhead costs);
- operating measures (which include productivity, operating income, funds from operations, cash from operations, after-tax operating income, market share, margin and sales volumes);
- cash flow measures (which include net cash flow from operating activities and working capital);
- liquidity measures (which include earnings before or after the effect of certain items such as interest, taxes, depreciation and amortization, and free cash flow);
- leverage measures (which include debt-to-equity ratio and net debt);
- market measures (which include market share, stock price, growth measure, total shareholder return and market capitalization measures);
- return measures (which include return on equity, return on assets and return on invested capital);
- measures relating to compliance, safety, environmental and diversity; and
- measures relating to acquisitions, dispositions or customer satisfaction.

Unless otherwise stated, such a Performance Goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo, performance relative to a peer group determined by the Committee or limiting economic losses (measured, in each case, by reference to specific business criteria). In interpreting Plan provisions applicable to Performance Goals and qualified Performance Awards, it is the intent of this Plan to conform with Section 162(m), including, without limitation, Treasury Regulation §1.162-27(e)(2)(i), as to grants pursuant to this subsection and the Committee in establishing such goals and interpreting

the Plan shall be guided by such provisions. Prior to the payment of any compensation based on the achievement of Performance Goals applicable to qualified Performance Awards, the Committee must certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any qualified Performance Awards made pursuant to this Plan shall be determined by the Committee to the extent permitted by Section 162(m).

(b) The Committee shall adjust the Performance Goals (either up or down) and the level of the Performance Award that a Participant may earn under this Plan, but only to the extent permitted pursuant to Section 162(m), if it determines that the occurrence of external changes or other unanticipated business conditions have materially affected the fairness of the goals and have unduly influenced the Company's ability to meet them, including without limitation, events such as material acquisitions, changes in the capital structure of the Company, and extraordinary accounting changes. In addition, Performance Goals and Performance Awards shall be calculated without regard to any changes in accounting standards that may be required by the Financial Accounting Standards Board after such Performance Goals are established.

(c) Notwithstanding anything to the contrary contained in this Plan, no Participant may be granted, during any one-year period, Awards collectively consisting of (i) Options or Stock Appreciation Rights that are exercisable for or (ii) Stock Awards covering or relating to more than 1,000,000 shares of Common Stock (the limitation referred to as the "Stock-based Awards Limitations"). No Plan Participant who is an employee may be granted Awards consisting of cash (including Cash Awards that are granted as Performance Awards) in respect of any calendar year having a value determined on the Grant Date in excess of \$20,000,000.

8. Award Payment; Dividends; Substitution; Fractional Shares.

(a) *General.* Payment of Awards may be made in the form of cash or Common Stock, or a combination thereof, and may include such restrictions as the Committee shall determine, including, in the case of Common Stock, restrictions on transfer and forfeiture provisions. If payment of an Award is made in the form of Restricted Stock, the applicable Award Agreement relating to such shares shall specify whether they are to be issued at the beginning or end of the Restriction Period. In the event that shares of Restricted Stock are to be issued at the beginning of the Restriction Period, the certificates evidencing such shares (to the extent that such shares are so evidenced) shall contain appropriate legends and restrictions that describe the terms and conditions of the restrictions applicable thereto. In the event that shares of Restricted Stock are to be issued at the end of the Restricted Period, the right to receive such shares shall be evidenced by book entry registration or in such other manner as the Committee may determine.

(b) *Dividends and Interest.* Rights to dividends or Dividend Equivalents may be extended to and made part of any Stock Awards, subject to such terms, conditions and restrictions as the Committee may establish. The Committee may also establish rules and procedures for the crediting of interest on deferred cash payments and Dividend Equivalents for Stock Awards.

(c) *Fractional Shares.* No fractional shares shall be issued or delivered pursuant to any Award under this Plan. The Committee shall determine whether cash, Awards or other property shall be issued or paid in lieu of fractional shares, or whether fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

9. *Stock Option Exercise.* The price at which shares of Common Stock may be purchased under an Option shall be paid in full at the time of exercise in cash or, if elected by the Participant, the Participant may purchase such shares either by means of tendering Common Stock or by authorizing the Company to withhold a number of shares of Common Stock otherwise deliverable on the exercise of the Option, in either case valued at Fair Market Value on the date of exercise, or any combination thereof. The Committee, in its sole discretion, shall determine acceptable methods for Participants to tender Common Stock or other Awards. In accordance with the rules and procedures established by the Committee for this purpose and subject to applicable law, Options may also be exercised through “cashless exercise” procedures approved by the Committee involving a broker or dealer approved by the Committee.

10. *Taxes.* The Company shall have the right to deduct applicable taxes from any Award payment and withhold, at the time of delivery or vesting of cash or shares of Common Stock under this Plan, an appropriate amount of cash or number of shares of Common Stock or a combination thereof for payment of taxes required by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes. Withholding of any taxes may be satisfied by (i) the transfer to the Company of shares of Common Stock theretofore owned by the holder of the Award or (ii) withholding from the shares of Common Stock otherwise deliverable under the Award, in either case with respect to which withholding is required, up to the maximum tax rate applicable to the Participant, as determined by the Committee. If shares of Common Stock are used to satisfy tax withholding, such shares shall be valued based on the Fair Market Value when the tax withholding is required to be made.

11. *Amendment, Modification, Suspension or Termination.* The Board or the Committee may amend, modify, suspend or terminate this Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law, except that (i) no amendment or alteration that would materially adversely affect the rights of any Participant under any Award previously granted to such Participant shall be made without the consent of such Participant and (ii) no amendment or alteration shall be effective prior to its approval by the shareholders of the Company to the extent shareholder approval is otherwise required by applicable legal requirements or the requirements of any exchange on which the Common Stock is listed. Notwithstanding the foregoing, no amendment may cause an Option or SAR to be repriced, replaced, regranted through cancellation or modified without shareholder approval (except in connection with a change in the Company’s capitalization as provided in paragraph 13), if the effect of such amendment would be to reduce the exercise price for the shares underlying such Option or SAR.

12. *Assignability.* Unless otherwise determined by the Committee in the Award Agreement, no Award or any other benefit under this Plan shall be assignable or otherwise transferable. Any attempted assignment of an Award or any other benefit under this Plan in violation of this paragraph 12 shall be null and void.

13. *Adjustments.*

(a) The existence of this Plan and Awards granted hereunder shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustments, recapitalizations, reorganizations or other changes in the Company’s capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the shares of Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Except as hereinafter provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards granted hereunder.

(c) The shares of Common Stock with respect to which Awards may be granted hereunder are shares of the Common Stock of the Company as presently constituted, but if, and whenever, prior to the delivery by the Company or a subsidiary of all of the shares of Common Stock which are subject to the Awards or rights granted hereunder, the Company shall effect a subdivision or consolidation of shares or other capital readjustments, the payment of a stock dividend or other increase or reduction of the number of shares of the Common Stock outstanding without receiving compensation therefore in money, services or property, the number of shares of Common Stock subject to the Plan, as well as the Stock-based Awards Limitations described in paragraph 7(c) hereof, shall be proportionately adjusted and the number of shares of Common Stock with respect to which outstanding Awards or other property subject to an outstanding Award granted hereunder shall:

(i) in the event of an increase in the number of outstanding shares, be proportionately increased, and the cash consideration (if any) payable per share of Common Stock shall be proportionately reduced; and

(ii) in the event of a reduction in the number of outstanding shares, be proportionately reduced, and the cash consideration (if any) payable per share of Common Stock shall be proportionately increased.

(d) In the event of a corporate merger, consolidation, acquisition of property or stock, separation, spinoff, reorganization or liquidation, the Board may make such adjustments to Awards or other provisions for the disposition of Awards as it deems equitable, and shall be authorized, in its sole discretion, (i) to provide for the substitution of a new Award or other arrangement (which, if applicable, may be exercisable for such property or stock as the Board determines) for an Award or the assumption of the Award, regardless of whether in a transaction to which Section 424(a) of the Code applies, (ii) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award, or (iii) to cancel any such Awards and to deliver to the Participants cash in an amount that the Board shall determine in its sole discretion is equal to the fair market value of such Awards on the date of such event, which in the case of Options or Stock Appreciation Rights shall be the excess of the Fair Market Value of a share of Common Stock on such date over the exercise price of such Award (for the avoidance of doubt, if such exercise price is greater than the Fair Market Value of a share of Common Stock on such date, the Option or Stock Appreciation Right may be canceled for no consideration).

(e) Notwithstanding the foregoing: (i) any adjustments made pursuant to paragraph 13 to Awards that are considered “deferred compensation” within the meaning of Section 409A shall be made in a manner which is intended to not result in accelerated or additional tax to a Participant pursuant to Section 409A; (ii) any adjustments made pursuant to paragraph 13 to Awards that are not considered “deferred compensation” subject to Section 409A of the Code shall be made in such a manner intended to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) do not result in accelerated or additional tax to a Participant pursuant to Section

409A of the Code; and (iii) in any event, neither the Committee nor the Board shall have the authority to make any adjustments pursuant to paragraph 13 to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the date of grant to be subject thereto as of the date of grant.

14. *Restrictions.* No Common Stock or other form of payment shall be issued with respect to any Award unless the Company shall be satisfied based on the advice of its counsel that such issuance will be in compliance with including, but not limited to, applicable federal and state securities laws. The Participant shall not exercise or settle any Award granted hereunder, and the Company or any Subsidiary will not be obligated to issue any shares of Common Stock or make any payments under any such Award if the exercise thereof or if the issuance of such shares of Common Stock or if the payment made shall constitute a violation by the recipient or the Company or any subsidiary of any provision of any applicable law or regulation of any governmental authority or any securities exchange on which the Common Stock is listed. Certificates evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation and any applicable federal or state securities law. The Committee may cause a legend or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.

15. *Unfunded Plan.* Insofar as it provides for Awards of cash, Common Stock or rights thereto, this Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are entitled to cash, Common Stock or rights thereto under this Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Common Stock or rights thereto, nor shall this Plan be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto to be granted under this Plan. Any liability or obligation of the Company to any Participant with respect to an Award of cash, Common Stock or rights thereto under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Award Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company nor the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan.

16. *Section 409A.* This Plan is intended to provide compensation which is exempt from or which complies with Section 409A, and ambiguous provisions, if any, shall be construed in a manner that is compliant with or exempt from the application of Section 409A, as appropriate. This Plan shall not be amended in a manner that would cause the Plan or any amounts payable under the Plan to fail to comply with the requirements of Section 409A, to the extent applicable, and, further, the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Plan. The Company shall neither cause nor permit any payment, benefit or consideration to be substituted for a benefit that is payable under this Plan if such action would result in the failure of any amount that is subject to Section 409A to comply with the applicable requirements of Section 409A. For purposes of Section 409A, each payment under this Plan shall be deemed to be a separate payment.

Notwithstanding any provision of this Plan to the contrary, if the Participant is a “specified employee” within the meaning of Section 409A as of the date of the Participant’s termination of employment and the Company determines, in good faith, that immediate payment of any amounts or benefits under this Plan would cause a violation of Section 409A, then any amounts or benefits which are payable under this Plan upon the Participant’s “separation from service” within the meaning of Section 409A which (i) are subject to the provisions of Section 409A; (ii) are not otherwise excluded under Section 409A; and (iii) would otherwise be payable during the first six-month period following such separation from service, shall be paid on the first business day next following the earlier of (1) the date that is six months and one day following the date of termination or (2) the date of the Participant’s death.

17. *Governing Law.* This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Texas.

18. *No Right to Employment.* Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or a Subsidiary to terminate any Participant’s employment or other service relationship at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or any Subsidiary.

19. *Successors.* All obligations of the Company under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

20. *Tax Consequences.* Nothing in this Plan or an Award Agreement shall constitute a representation by the Company to a Participant regarding the tax consequences of any Award received by a Participant under this Plan. Although the Company may endeavor to (i) qualify a Performance Award for favorable U.S. or foreign tax treatment or (ii) avoid adverse tax treatment (e.g. under Section 409A), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or unavoidable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Performance Awards under this Plan.

21. *Non-United States Participants.* The Committee may grant awards to persons outside the United States under such terms and conditions as may, in the judgment of the Committee, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions and, to that end, may establish sub-plans, modified vesting, exercise or settlement procedures and other terms and procedures. Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Securities Exchange Act of 1934, the Code, any securities law, any governing statute, or any other applicable law.

22. *Effectiveness.* This Plan became effective January 17, 2013 upon its approval by the stockholders of the Company at the 2013 annual general meeting of stockholders. This Plan was amended by the Committee effective as of June 30, 2013 and was thereafter amended and restated effective as of July 19, 2017. This Plan shall continue in effect for a term of ten years after the date on which the stockholders of the Company approve this Plan, unless sooner terminated by action of the Board.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer on the date first written above.

SCHLUMBERGER LIMITED

By: /s/ Paal Kibsgaard
Paal Kibsgaard

Title: Chairman & CEO

SCHLUMBERGER
2017 OMNIBUS STOCK INCENTIVE PLAN
(Amended and Restated as of July 19, 2017)

1. *Objectives.* This Schlumberger 2017 Omnibus Stock Incentive Plan (this “Plan”) was adopted by Schlumberger Limited (the “Company”) in order to retain employees with a high degree of training, experience and ability, to attract new employees whose services are considered particularly valuable, to encourage the sense of proprietorship of such persons and to promote the active interest of such persons in the development and financial success of the Company and its Subsidiaries. These objectives are to be accomplished by making Awards under this Plan and thereby providing Participants with a proprietary interest in the growth and performance of the Company and its Subsidiaries.

2. *Definitions.* As used herein, the terms set forth below shall have the following respective meanings:

“Award” means the grant of any Option, Stock Appreciation Right, Stock Award, Cash Award or Performance Award, whether granted singly, in combination or in tandem, to a Participant pursuant to such applicable terms, conditions and limitations as the Committee may establish in accordance with the objectives of this Plan.

“Award Agreement” means the document (in written or electronic form) communicating the terms, conditions and limitations applicable of an Award. The Committee may, in its discretion, require that the Participant execute such Award Agreement, or may provide for procedures through which Award Agreements are made available but not executed. Any Participant who is granted an Award and who does not affirmatively reject the applicable Award Agreement shall be deemed to have accepted the terms of Award as embodied in the Award Agreement.

“Board” means the board of directors of the Company.

“Cash Award” means an Award denominated in cash.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board, and any successor committee thereto or such other committee of the Board as may be designated by the Board to administer this Plan in whole or in part including any subcommittee of the Board as designated by the Board.

“Common Stock” means the common stock, par value \$0.01 per share, of the Company.

“Dividend Equivalents” means, with respect to a Stock Award an amount equal to all dividends and other distributions (or the economic equivalent thereof) that are payable to stockholders of record during the Restriction Period on a like number of unrestricted shares of Common Stock.

“Employee” means an employee of the Company or any of its Subsidiaries and an individual who has agreed to become an employee of the Company or any of its Subsidiaries and actually becomes such an employee within the following six months.

“Executive Officer” means a “covered employee” within the meaning of Section 162(m)(3) or any other executive officer designated by the Committee for purposes of exempting compensation payable under this Plan from the deduction limitations of Section 162(m).

“Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there shall have been no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded shall be the Fair Market Value.

“Incentive Option” means an Option that is intended to comply with the requirements set forth in Section 422 of the Code.

“Non-Qualified Option” means an Option that is not intended to comply with the requirements set forth in Section 422 of the Code.

“Option” means a right to purchase a specified number of shares of Common Stock at a specified price, which is either an Incentive Option or a Non-Qualified Option.

“Participant” means an Employee to whom an Award has been made under this Plan.

“Performance Award” means an award made pursuant to this Plan to a Participant, which Award is subject to the attainment of one or more Performance Goals.

“Performance Goal” means one or more standards established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

“Restricted Stock” means any Common Stock that is restricted or subject to forfeiture provisions.

“Restricted Stock Unit” means a unit evidencing the right to receive one share of Common Stock or equivalent value (as determined by the Committee) that is restricted or subject to forfeiture provisions.

“Restriction Period” means a period of time beginning as of the date upon which an Award of Restricted Stock or Restricted Stock Units is made pursuant to this Plan and ending as of the date upon which the Common Stock subject to such Award is issued (if not previously issued) no longer restricted or subject to forfeiture provisions.

“Section 162(m)” means Section 162(m) of the Code and any Treasury Regulations and guidance promulgated thereunder.

“Section 409A” means Section 409A of the Code and any Treasury Regulations and guidance promulgated thereunder.

“Stock Appreciation Right” or “SAR” means a right to receive a payment, in cash or Common Stock, equal to the excess of the Fair Market Value or other specified valuation of a specified number of shares of Common Stock on the date the right is exercised over a specified strike price, in each case, as determined by the Committee.

“Stock Award” means an award in the form of shares of Common Stock or units denominated in shares of Common Stock, including Restricted Stock or Restricted Stock Units, and which may be structured in the form of a Performance Award. For the avoidance of doubt, a Stock Award does not include an Option or SAR.

“Subsidiary” means (i) in the case of a corporation, a “subsidiary corporation” of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

3. *Eligibility.* All Employees of the Company or a Subsidiary are eligible for Awards under this Plan in the sole discretion of the Committee. No director of the Company who is not also an employee is eligible to participate in the Plan, nor is any employee who owns directly or indirectly stock possessing more than five percent (5%) of the total combined voting power or value of all classes of stock of the Company or any Subsidiary.

4. *Common Stock Available for Awards.* Subject to the provisions of paragraph 13 hereof, there shall be available for Awards under this Plan granted wholly or partly in Common Stock (including rights or options that may be exercised for or settled in Common Stock) an aggregate of 30 million shares of Common Stock. In the sole discretion of the Committee, 30 million shares of Common Stock may be granted as Incentive Options.

(a) In connection with the granting of an Award, the number of shares of Common Stock available for issuance under this Plan shall be reduced by the number of shares of Common Stock in respect of which the Option or Award is granted or denominated. For example, upon the grant of stock-settled SARs, the number of shares of Common Stock available for issuance under this Plan shall be reduced by the full number of SARs granted, and the number of shares of Common Stock available for issuance under this Plan shall not thereafter be increased upon the exercise of the SARs and settlement in shares of Common Stock, even if the actual number of shares of Common Stock delivered in settlement of the SARs is less than the full number of SARs exercised. However, Awards that by their terms do not permit settlement in shares of Common Stock shall not reduce the number of shares of Common Stock available for issuance under this Plan.

(b) Any shares of Common Stock that are tendered by a Participant or withheld as full or partial payment of withholding or other taxes or as payment for the exercise or conversion price of an Option or SAR under this Plan shall not be added back to the number of shares of Common Stock available for issuance under this Plan.

(c) Whenever any outstanding Award (or portion thereof) expires, is cancelled or forfeited or is otherwise terminated for any reason without having been exercised or payment having been made in the form of shares of Common Stock, the number of shares of Common Stock available for issuance under this Plan shall be increased by the number of shares of Common Stock allocable to the expired, forfeited, cancelled or otherwise terminated Award (or portion thereof). To the extent that any Award is forfeited, or any Option or SAR terminates, expires or lapses without being exercised, the shares of Common Stock subject to such Awards will not be counted as shares delivered under this Plan.

(d) Shares of Common Stock delivered under the Plan in settlement of an Award issued or made (i) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an acquired entity or (ii) as a post-transaction grant under such a plan or arrangement of an acquired entity shall not reduce or be counted against the maximum number of shares of Common Stock available for delivery under the Plan, to the extent that the exemption for transactions in connection with mergers and acquisitions from the stockholder approval requirements of the New York Stock Exchange for equity compensation plans applies.

(e) Awards valued by reference to Common Stock that may be settled in equivalent cash value will count as shares of Common Stock delivered to the same extent as if the Award were settled in shares of Common Stock.

Consistent with the requirements specified above in this paragraph 4, the Committee may from time to time adopt and observe such procedures concerning the counting of shares against this Plan maximum as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national securities exchange on which the Common Stock is listed or any applicable regulatory requirement. The Committee and the appropriate officers of the Company shall be authorized to, from time to time, take all such actions as any of them may determine are necessary or appropriate to file any documents with governmental authorities, stock exchanges and transaction reporting systems as may be required to ensure that shares of Common Stock are available for issuance pursuant to Awards.

5. *Administration.*

(a) *Authority of the Committee.* This Plan shall be administered by the Committee, which shall have the powers vested in it by the terms of this Plan, such powers to include the authority (within the limitations described in this Plan):

- to select the Employees to be granted Awards under this Plan;
- to determine the terms of Awards to be made to each Participant;
- to determine the time when Awards are to be granted and any conditions that must be satisfied before an Award is granted;
- to establish objectives and conditions for earning Awards;
- to determine the terms and conditions of Award Agreements (which shall not be inconsistent with this Plan) and which parties must sign each Award Agreement;
- to determine whether the conditions for earning an Award have been met and whether a Performance Award will be paid at the end of an applicable performance period;
- except as otherwise provided in paragraphs 7(a) and 11, to modify the terms of Awards made under this Plan;
- to determine if, when and under what conditions payment of all or any part of an Award may be deferred;

- to determine whether the amount or payment of an Award should be reduced or eliminated;
- to determine the guidelines and/or procedures for the payment or exercise of Awards; and
- to determine whether a Performance Award should qualify, regardless of its amount, as deductible in its entirety for federal income tax purposes, including whether a Performance Award granted to an Executive Officer should qualify as performance-based compensation.

The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Committee deems necessary or desirable to further Plan purposes or so as to avoid unanticipated consequences or address unanticipated events (including any temporary closure of a stock exchange on which the Common Stock is traded, disruption of communications or natural catastrophe) deemed by the Committee to be inconsistent with the purposes of the Plan or any Award Agreement, provided that no such action shall be taken absent stockholder approval to the extent required under Section 11. Any decision of the Committee in the interpretation and administration of this Plan shall lie within its sole discretion and shall be final, conclusive and binding on all parties concerned. All decisions and selections made by the Committee pursuant to the provisions of the Plan shall be made by a majority of its members unless subject to the Committee's delegation of authority pursuant to paragraph 6 herein.

(b) *Limitation of Liability.* No member of the Committee or officer of the Company to whom the Committee has delegated authority in accordance with the provisions of paragraph 6 of this Plan shall be liable for anything done or omitted to be done by him or her, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

(c) *Prohibition on Repricing of Awards.* Other than in connection with a change in the Company's capitalization (as described in Section 13), the Company shall not, without stockholder approval, (i) reduce the exercise price of outstanding Options or SARs or (ii) cancel, exchange, substitute, buyout or surrender outstanding Options or SARs in exchange for cash or other Awards when the exercise price of the original Options or SARs exceeds the Fair Market Value of a share of Common Stock, (iii) take any other action with respect to an Option or SAR that would be treated as a repricing under the rules and regulations of the principal national securities exchange on which the shares of Common Stock are listed or (iv) permit the grant of any Options or SARs that contains a so-called "reload" feature under which additional Options, SARs or other Awards are granted automatically to the Participant upon exercise of the original Option or SAR.

6. *Delegation of Authority.* Except with respect to matters related to Awards to Executive Officers or other Awards intended to qualify as qualified performance-based compensation under Section 162(m), the Committee may delegate to the Chief Executive Officer and to other senior officers of the Company or to such other committee of the Board its duties under this Plan pursuant to such conditions or limitations as the Committee may establish.

7. *Awards.*

(a) The Committee shall determine the type or types of Awards to be made under this Plan and shall designate from time to time the Participants who are to be the recipients of such Awards. Each Award shall be embodied in an Award Agreement, which shall contain such terms, conditions and limitations as shall be determined by the Committee in its sole discretion. Awards may consist of those listed in this paragraph 7(a) and may be granted singly, in combination or in tandem. Subject to Section 5(c), Awards may also be made in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other plan of the Company or any of its Subsidiaries, including the plan of any acquired entity. All or part of an Award may be subject to conditions established by the Committee, which may include, but are not limited to, continuous service with the Company and its Subsidiaries, achievement of specific Performance Goals. Upon the termination of employment by a Participant, any unexercised, deferred, unvested or unpaid Awards shall be treated as set forth in the applicable Award Agreement. Any Award under the Plan will have a minimum vesting or Restriction Period of one year from the date of grant, provided that up to 5% of the total shares of Common Stock reserved for issuance pursuant to the Plan may be issued without regard to this minimum vesting condition. Subject to the provisions below applicable to each type of Award, the terms, conditions and limitations applicable to any Awards shall be determined by the Committee.

(i) *Option.* An Award may be in the form of an Option. An Option awarded pursuant to this Plan may consist of an Incentive Option or a Non-Qualified Option and will be designated accordingly at the time of grant. The price at which shares of Common Stock may be purchased upon the exercise of an Option shall be not less than the Fair Market Value of the Common Stock on the date of grant. The term of an Option shall not exceed ten years from the date of grant.

(ii) *Stock Appreciation Right.* An Award may be in the form of a Stock Appreciation Right. The strike price for a Stock Appreciation Right shall not be less than the Fair Market Value of the Common Stock on the date on which the Stock Appreciation Right is granted. The term of a Stock Appreciation Right shall not exceed ten years from the date of grant.

(iii) *Stock Award.* An Award may be in the form of a Stock Award.

(iv) *Cash Awards.* An Award may be in the form of a Cash Award.

(v) *Performance Award.* Without limiting the type or number of Awards that may be made under the other provisions of this Plan, an Award may be in the form of a Performance Award. Any Stock Award which is a Performance Award shall have a minimum Restriction Period of one year from the date of grant, provided that the Committee may provide for earlier vesting following a change of control or other specified events involving the Company, or upon a termination of employment by reason of death, disability or retirement, or termination of service subject to the limitations specified below. The Committee shall set Performance Goals in its sole discretion which, depending on the extent to which they are met, will determine the value and/or amount of Performance Awards that will be paid out to the Participant and/or the portion of an Award that may be exercised.

(A) *Non-Qualified Performance Awards*. Performance Awards granted to Employees that are not intended to qualify as qualified performance-based compensation under Section 162(m) shall be based on achievement of such Performance Goals and be subject to such terms, conditions and restrictions as the Committee or its delegate shall determine.

(B) *Qualified Performance Awards*. Performance Awards that are intended to qualify as qualified performance-based compensation under Section 162(m) shall be paid, vested or otherwise deliverable solely on account of the attainment of one or more pre-established, objective Performance Goals established and administered by the Committee in accordance with Section 162(m) prior to the earlier to occur of (x) 90 days after the commencement of the performance period to which the Performance Goal relates and (y) the lapse of 25% of the performance period to which the Performance Goal relates (as scheduled in good faith at the time the goal is established), and in any event while the outcome is substantially uncertain. A Performance Goal is objective if a third party having knowledge of the relevant facts could determine whether the goal is met. Such a Performance Goal may be based on one or more business criteria that apply to a Participant, one or more business units, divisions or sectors of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies. A Performance Goal may include one or more of the following and need not be the same for each Participant.

- revenue and income measures (which include revenue, gross margin, income from operations, net income, net sales, earnings per share, earnings before interest, taxes, depreciation and amortization (“EBITDA”), and economic value added (“EVA”);
- expense measures (which include costs of goods sold, selling, finding and development costs, general and administrative expenses and overhead costs);
- operating measures (which include productivity, operating income, funds from operations, cash from operations, after-tax operating income, market share, margin and sales volumes);
- cash flow measures (which include net cash flow from operating activities and working capital);
- liquidity measures (which include earnings before or after the effect of certain items such as interest, taxes, depreciation and amortization, and free cash flow);
- leverage measures (which include debt-to-equity ratio and net debt);
- market measures (which include market share, stock price, growth measure, total shareholder return and market capitalization measures);
- return measures (which include return on equity, return on assets and return on invested capital);
- measures relating to compliance, safety, environmental and diversity; and
- measures relating to acquisitions, dispositions or customer satisfaction.

Unless otherwise stated, such a Performance Goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo, performance relative to a peer group determined by the Committee or limiting economic losses (measured, in each case, by reference to specific business criteria). In interpreting Plan provisions applicable to Performance Goals and qualified Performance Awards, it is the intent of this Plan to conform with Section 162(m), including, without limitation, Treasury Regulation §1.162-27(e)(2)(i), as to grants pursuant to this subsection and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions. Prior to the payment of any compensation based on the achievement of Performance Goals applicable to qualified Performance Awards, the Committee must certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any qualified Performance Awards made pursuant to this Plan shall be determined by the Committee to the extent permitted by Section 162(m).

(b) The Committee shall adjust the Performance Goals (either up or down) and the level of the Performance Award that a Participant may earn under this Plan, but only to the extent permitted pursuant to Section 162(m), if it determines that the occurrence of external changes or other unanticipated business conditions have materially affected the fairness of the goals and have unduly influenced the Company's ability to meet them, including without limitation, events such as material acquisitions, changes in the capital structure of the Company, and extraordinary accounting changes. In addition, Performance Goals and Performance Awards shall be calculated without regard to any changes in accounting standards that may be required by the Financial Accounting Standards Board after such Performance Goals are established.

(c) Notwithstanding anything to the contrary contained in this Plan, no Participant may be granted, during any calendar year, Awards collectively consisting of (i) Options or Stock Appreciation Rights that are exercisable for or (ii) Stock Awards covering or relating to more than 1,000,000 shares of Common Stock (the limitation referred to as the "Stock-based Awards Limitations"). No Participant may be granted Awards consisting of cash (including Cash Awards that are granted as Performance Awards) in respect of any calendar year having a value determined on the date of grant in excess of \$20,000,000.

8. *Award Payment; Dividends; Substitution; Fractional Shares.*

(a) *General.* Payment of Awards may be made in the form of cash or Common Stock, or a combination thereof, and may include such restrictions as the Committee shall determine, including, in the case of Common Stock, restrictions on transfer and forfeiture provisions. If payment of an Award is made in the form of Restricted Stock, the right to receive such shares shall be evidenced by book entry registration or in such other manner as the Committee may determine. Any statement of ownership evidencing such Restricted Stock shall contain appropriate legends and restrictions that describe the terms and conditions of the restrictions applicable thereto.

(b) *Dividends and Interest.* Rights to dividends or Dividend Equivalents may be extended to and made part of any Stock Awards, subject to such terms, conditions and restrictions as the Committee may establish, provided that any Dividend Equivalents will be subject to the same vesting schedule as the underlying Stock Awards to which the right is attached. The Committee may also establish rules and procedures for the crediting of interest on deferred cash payments and Dividend Equivalents for Stock Awards. No Dividend Equivalents may be paid in respect of an Award of Options or SARs.

(c) *Fractional Shares.* No fractional shares shall be issued or delivered pursuant to any Award under this Plan. The Committee shall determine whether cash, Awards or other property shall be issued or paid in lieu of fractional shares, or whether fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

9. *Stock Option Exercise.* The price at which shares of Common Stock may be purchased under an Option shall be paid in full at the time of exercise in cash or, if elected by the Participant, the Participant may purchase such shares either by means of tendering Common Stock or by authorizing the Company to withhold a number of shares of Common Stock otherwise deliverable on the exercise of the Option, in either case valued at Fair Market Value on the date of exercise, or any combination thereof. The Committee, in its sole discretion, shall determine acceptable methods for Participants to tender Common Stock or other Awards. In accordance with the rules and procedures established by the Committee for this purpose and subject to applicable law, Options may also be exercised through “cashless exercise” procedures approved by the Committee involving a broker or dealer approved by the Committee.

10. *Taxes.* The Company shall have the right to deduct applicable taxes from any Award payment and withhold, at the time of delivery or vesting of cash or shares of Common Stock under this Plan, an appropriate amount of cash or number of shares of Common Stock or a combination thereof for payment of taxes required by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes. Withholding of any taxes may be satisfied by (i) the transfer to the Company of shares of Common Stock theretofore owned by the holder of the Award or (ii) withholding from the shares of Common Stock otherwise deliverable under the Award, in either case with respect to which withholding is required, up to the maximum tax rate applicable to the Participant, as determined by the Committee. If shares of Common Stock are used to satisfy tax withholding, such shares shall be valued based on the Fair Market Value when the tax withholding is required to be made.

11. *Amendment, Modification, Suspension or Termination.* The Board or the Committee may amend, modify, suspend or terminate this Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law, except that (i) no amendment or alteration that would materially adversely affect the rights of any Participant under any Award previously granted to such Participant shall be made without the consent of such Participant and (ii) no amendment or alteration shall be effective prior to its approval by the stockholders of the Company to the extent stockholder approval is otherwise required by applicable legal requirements or the requirements of any exchange on which the Common Stock is listed. Notwithstanding the foregoing, no amendment may cause an Option or SAR to be repriced, replaced, regranted through cancellation or modified without stockholder approval (except in connection with a change in the Company’s capitalization as provided in paragraph 13), if the effect of such amendment would be to reduce the exercise price for the shares underlying such Option or SAR.

12. *Assignability.* Unless otherwise determined by the Committee in the Award Agreement, no Award or any other benefit under this Plan shall be assignable or otherwise transferable. Any attempted assignment of an Award or any other benefit under this Plan in violation of this paragraph 12 shall be null and void.

13. *Adjustments.*

(a) The existence of this Plan and Awards granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the shares of Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Except as hereinafter provided, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards granted hereunder.

(c) The shares of Common Stock with respect to which Awards may be granted hereunder are shares of the Common Stock of the Company as presently constituted, but if, and whenever, prior to the delivery by the Company or a subsidiary of all of the shares of Common Stock which are subject to the Awards or rights granted hereunder, the Company shall effect a subdivision or consolidation of shares or other capital readjustments, the payment of a stock dividend or other increase or reduction of the number of shares of the Common Stock outstanding without receiving compensation therefore in money, services or property, the number of shares of Common Stock subject to the Plan, as well as the Stock-based Awards Limitations described in paragraph 7(c) hereof, shall be proportionately adjusted and the number of shares of Common Stock with respect to which outstanding Awards or other property subject to an outstanding Award granted hereunder shall:

(i) in the event of an increase in the number of outstanding shares, be proportionately increased, and the cash consideration (if any) payable per share of Common Stock shall be proportionately reduced; and

(ii) in the event of a reduction in the number of outstanding shares, be proportionately reduced, and the cash consideration (if any) payable per share of Common Stock shall be proportionately increased.

(d) In the event of a corporate merger, consolidation, acquisition of property or stock, separation, spinoff, reorganization or liquidation, the Board may make such adjustments to Awards or other provisions for the disposition of Awards as it deems equitable, and shall be authorized, in its sole discretion, (i) to provide for the substitution of a new Award or other arrangement (which, if applicable, may be exercisable for such property or stock as the Board determines) for an Award or the assumption of the Award, regardless of whether in a transaction to which Section 424(a) of the Code applies, (ii) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award, or (iii) to cancel any such Awards and to deliver to the Participants cash in an amount that the Board shall determine in its sole discretion is equal to the fair market value of such Awards on the date of such event, which in the case of Options or Stock Appreciation Rights shall be the excess of the Fair Market Value of a share of Common Stock on such date over the exercise price of such Award (for the avoidance of doubt, if such exercise price is greater than the Fair Market Value of a share of Common Stock on such date, the Option or Stock Appreciation Right may be canceled for no consideration).

(e) Notwithstanding the foregoing: (i) any adjustments made pursuant to paragraph 13 to Awards that are considered “deferred compensation” within the meaning of Section 409A shall be made in a manner which is intended to not result in accelerated or additional tax to a Participant pursuant to Section 409A; (ii) any adjustments made pursuant to paragraph 13 to Awards that are not considered “deferred compensation” subject to Section 409A of the Code shall be made in such a manner intended to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) do not result in accelerated or additional tax to a Participant pursuant to Section 409A of the Code; and (iii) in any event, neither the Committee nor the Board shall have the authority to make any adjustments pursuant to paragraph 13 to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the date of grant to be subject thereto as of the date of grant.

14. *Restrictions.* No Common Stock or other form of payment shall be issued with respect to any Award unless the Company shall be satisfied based on the advice of its counsel that such issuance will be in compliance with including, but not limited to, applicable federal and state securities laws. The Participant shall not exercise or settle any Award granted hereunder, and the Company or any Subsidiary will not be obligated to issue any shares of Common Stock or make any payments under any such Award if the exercise thereof or if the issuance of such shares of Common Stock or if the payment made shall constitute a violation by the recipient or the Company or any subsidiary of any provision of any applicable law or regulation of any governmental authority or any securities exchange on which the Common Stock is listed. Certificates evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation and any applicable federal or state securities law. The Committee may cause a legend or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.

15. *Unfunded Plan.* Insofar as it provides for Awards of cash, Common Stock or rights thereto, this Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are entitled to cash, Common Stock or rights thereto under this Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Common Stock or rights thereto, nor shall this Plan be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto to be granted under this Plan. Any liability or obligation of the Company to any Participant with respect to an Award of cash, Common Stock or rights thereto under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Award Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company nor the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan.

16. *Section 409A.* This Plan is intended to provide compensation which is exempt from or which complies with Section 409A, and ambiguous provisions, if any, shall be construed in a manner that is compliant with or exempt from the application of Section 409A, as appropriate. This Plan shall not be amended in a manner that would cause the Plan or any amounts payable under the Plan to fail to comply with the requirements of Section 409A, to the extent applicable, and, further, the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Plan. The Company shall neither cause nor permit any payment, benefit or consideration to be substituted for a benefit that is payable under this Plan if such action would result in the failure of any amount that is subject to Section 409A to comply with the applicable requirements of Section 409A. For purposes of Section 409A, each payment under this Plan shall be deemed to be a separate payment.

Notwithstanding any provision of this Plan to the contrary, if the Participant is a “specified employee” within the meaning of Section 409A as of the date of the Participant’s termination of employment and the Company determines, in good faith, that immediate payment of any amounts or benefits under this Plan would cause a violation of Section 409A, then any amounts or benefits which are payable under this Plan upon the Participant’s “separation from service” within the meaning of Section 409A which (i) are subject to the provisions of Section 409A; (ii) are not otherwise excluded under Section 409A; and (iii) would otherwise be payable during the first six-month period following such separation from service, shall be paid on the first business day next following the earlier of (1) the date that is six months and one day following the date of termination or (2) the date of the Participant’s death.

17. *Governing Law.* This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Texas.

18. *No Right to Employment.* Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or a Subsidiary to terminate any Participant’s employment or other service relationship at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or any Subsidiary.

19. *Successors.* All obligations of the Company under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

20. *Tax Consequences.* Nothing in this Plan or an Award Agreement shall constitute a representation by the Company to a Participant regarding the tax consequences of any Award received by a Participant under this Plan. Although the Company may endeavor to (i) qualify a Performance Award for favorable U.S. or foreign tax treatment or (ii) avoid adverse tax treatment (e.g. under Section 409A), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or unavoidable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Performance Awards under this Plan.

21. *Non-United States Participants.* The Committee may grant awards to persons outside the United States under such terms and conditions as may, in the judgment of the Committee, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions and, to that end, may establish sub-plans, modified vesting, exercise or settlement procedures and other terms and procedures. Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Securities Exchange Act of 1934, the Code, any securities law, any governing statute, or any other applicable law.

22. *Effectiveness.* This Plan became effective January 19, 2017 upon its approval by the stockholders of the Company at the 2017 annual general meeting of stockholders. This Plan was thereafter amended and restated by the Committee effective July 19, 2017. This Plan shall continue in effect for a term of ten years after the date on which the stockholders of the Company approve this Plan, unless sooner terminated by action of the Board.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer on the date first written above.

SCHLUMBERGER LIMITED

By: /s/ Paal Kibsgaard
Paal Kibsgaard

Title: Chairman & CEO

2018 PERFORMANCE SHARE UNIT AWARD AGREEMENT
under the
SCHLUMBERGER 2010 OMNIBUS STOCK INCENTIVE PLAN
(Includes Confidentiality, Intellectual Property, Non-Competition, and Non-Solicitation
Provisions in Section 10 and Attachment II)

(“FRENCH QUALIFIED PERFORMANCE SHARE UNITS”)
Performance Period: 2018, 2019 and 2020

This Performance Share Unit Award Agreement (as may be amended, the “Agreement”) is granted effective as of January 17, 2018 (the “Grant Date”) by Schlumberger Limited (the “Company”), for the benefit of _____ (“Employee”), pursuant to the Schlumberger 2010 Omnibus Stock Incentive Plan, as amended by the sub-plan for France and as may be further amended from time to time (the “2010 Plan”). The 2010 Plan was approved by the Company’s shareholders on April 6, 2016, and governs the French Qualified Performance Share Units (“Performance Share Units”) granted to employees of the Company and its Subsidiaries (as defined in Section 13(u)) who are working in France or who are or may become subject to French tax (i.e. income tax or social security tax, or both) as a result of Performance Share Units granted under the 2016 Rules of the 2010 Plan for Employees in France (the “French sub-plan”). The 2010 Plan and the French sub-plan are collectively called the “Plans.” The Performance Share Units granted under the French sub-plan will be deemed “French Qualified Performance Share Units” for purposes of relevant provisions set forth by French tax law and the French tax administration and will be eligible for the specific income and social security tax regime applicable to shares granted for no consideration under the Articles L.225-197-1 to L.225-197-6 of the French Commercial Code.

1. Award. In consideration of Employee’s continued employment as hereinafter set forth, the Company hereby grants to Employee an award of Performance Share Units, provided that (except as otherwise provided in Section 2(c)) the final number of Performance Share Units will be determined in accordance with the performance criteria set forth on Attachment I. The target Performance Share Units subject to this award is set forth in an award letter previously delivered to Employee and the Notice of Grant of Award of Performance Share Units attached hereto. The Performance Share Units are notional units of measurement denominated in shares of common stock of the Company, \$.01 par value per share (“Common Stock”). Each Performance Share Unit represents a right to receive one share of Common Stock, subject to the various conditions and restrictions on, *inter alia*, vesting and transferability set forth herein and in the Plans.

2. Vesting of Performance Share Units. The period of time between January 1, 2018 and December 31, 2020 is the “Performance Period.” The Performance Share Units will vest as follows:

(a) On the first Friday following the meeting of the Compensation Committee of the Board of Directors of the Company (the “Committee”) in January 2021, or as soon thereafter as reasonably practicable (such date, the “Vesting Date”), a number of Performance Share Units will vest based on the extent to which the Company has satisfied the performance conditions set forth on Attachment I, provided that Employee is continuously employed by the Company or any of its Subsidiaries from the Grant Date through the Vesting Date and has not experienced a Termination of Employment (as defined in Section 13(x) below) as of such date. Except as provided in Sections 2(b) and 2(c) below, if there is any Termination of Employment during the period from and between the Grant Date until and including the Vesting Date, Employee will immediately and automatically forfeit all Performance Share Units. Any questions as to whether and when there has been a Termination of Employment, and the cause of such termination, will be resolved by the Committee, and its determination will be final.

(b) If Employee’s Termination of Employment occurs due to Retirement (as defined in Section 13(q) below) or Special Retirement (as defined in Section 13(t) below), the Performance Share Units will vest in accordance with Section 2(a) above as if Employee had remained continuously employed by the Company or any of its Subsidiaries from the Grant Date through the Vesting Date.

(c) If Employee’s Termination of Employment occurs due to Disability (as defined in Section 13(i) below) or death, then immediately on the occurrence of such Termination of Employment, the target number of Performance Share Units will be earned and vest. The delivery of the shares of Common Stock underlying vested Performance Share Units will be delivered as stated in Section 3 below. However, in the event of death, the Company shall only issue the underlying shares to the employee’s heirs, provided they request the shares within six months following the death of the employee.

(d) If Employee ceases to be employed in a position eligible to receive Performance Share Units (as determined by the Committee in its sole and absolute discretion) (an “Eligible Position”) the Performance Share Units will vest in accordance with Section 2(a) above, provided that Employee (x) remains continuously employed by the Company or any of its Subsidiaries from the Grant Date through the Vesting Date or (y) experiences a Qualifying Termination after Employee ceases to be employed in an Eligible Position. For the avoidance of doubt, if Employee experiences a Termination of Employment due to Disability or death after Employee ceases to be employed in an Eligible Position, the provisions of Section 2(c), will control.

3. Settlement and Delivery of Performance Share Units. Payment of vested Performance Share Units will be made in shares of Common Stock as soon as administratively practicable, but in no event later than 2-1/2 months following the Vesting Date (the date of any such payment, the “Settlement Date”). Notwithstanding the vesting dates of the Performance Share Units, under no circumstances, except in case of Employee’s death or Disability, as provided for in Section 2(c) above, will the delivery of the shares of Common Stock related to a Performance Stock Unit occur prior to the third anniversary of the Grant Date. The sale of shares issued pursuant to the conversion of the Performance Stock Units may occur as soon as such shares are delivered to Employee provided the Closed Periods (as defined in Section 4 below) are respected.

4. Closed Periods.

Shares underlying Performance Stock Units may not be sold during the following periods (“Closed Periods”):

(a) within 10 trading days before or after the publication of the consolidated financial statements, or failing that, the annual accounts of the Company; and

(b) within a period beginning with the date at which executives of the Company become aware of any information which, were it to be public knowledge, could have a significant impact on the price of shares in and ending 10 trading sessions after the information becomes public knowledge.

These Closed Periods will apply to shares received in connection with a grant of Performance Stock Units as long as and to the extent such Closed Periods are applicable under French law.

5. Forfeiture of Performance Share Units.

(a) At any time during the Performance Period and up to and including the Vesting Date, upon a Termination of Employment for any reason that does not result in a continuation of vesting pursuant to Section 2 above, Employee will immediately and automatically forfeit all unvested Performance Share Units, without the payment of any consideration by the Company. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the unvested Performance Share Units.

(b) Notwithstanding any provision in this Agreement to the contrary, if at any time during the Performance Period and up to and including the Vesting Date, Employee engages in Detrimental Activity (as defined in Section 13(g) below), Employee will immediately and automatically forfeit all Performance Share Units without the payment of any consideration by the Company. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the unvested Performance Share Units.

6. Restrictions on Transfer of Performance Share Units.

(a) Performance Share Units granted hereunder to Employee may not be sold, assigned, transferred, pledged or otherwise encumbered, whether voluntarily or involuntarily, by operation of law or otherwise (any of the foregoing, a “Transfer”), other than (i) to the Company as a result of the forfeiture of Performance Share Units, or (ii) by will or applicable laws of descent and distribution. Payment of Performance Share Units after Employee’s death will be made to Employee’s estate or, in the sole and absolute discretion of the Committee, to the person or persons entitled to receive such payment under applicable laws of descent and distribution.

(b) Consistent with the foregoing, Employee may not transfer any right or benefit under this Agreement, and any such attempt to Transfer will have no effect and be void. No right or benefit hereunder will in any manner be liable for or subject to any debts, contracts, liabilities or

torts of the person entitled to such benefits. If Employee attempts to Transfer any right or benefit hereunder or if any creditor attempts to subject the same to a writ of garnishment, attachment, execution, sequestration, or any other form of process or involuntary lien or seizure, then such attempt will have no effect and be void and immediately upon any such attempt the Performance Share Units will terminate and become of no further effect.

7. Rights as a Stockholder. Employee will have no rights as a stockholder of the Company as a holder of Performance Share Units. Rights as a stockholder of the Company will arise only if the Performance Share Units are settled in shares of Common Stock pursuant to Section 3 above.

8. Tax and Social Insurance Withholding.

(a) Regardless of any action the Company or any of its Subsidiaries takes with respect to any income tax (including foreign, federal, state and local taxes), social insurance, payroll tax, payment on account of other tax-related items related to Employee's participation in the Plans and legally applicable to him or her ("Tax-Related Items"), Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by Employee is and remains his or her responsibility and may exceed the amount actually withheld by the Company or its Subsidiaries. Employee further acknowledges that neither the Company nor any of its Subsidiaries (i) makes any representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Share Units, including the grant of the Performance Share Units, the vesting of the Performance Share Units, the conversion of the Performance Share Units into shares of Common Stock, the subsequent sale of any shares of Common Stock acquired at vesting, or (ii) commits to structure the terms of the grant or any aspect of the Performance Share Units to reduce or eliminate Employee's liability for the Tax-Related Items.

(b) Prior to any relevant taxable or tax withholding event ("Tax Date"), as applicable, Employee will pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, Employee authorizes the Company or its respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) accept a cash payment in U.S. dollars in the amount of the Tax-Related Items or (ii) withhold whole Shares which would otherwise be delivered to Employee having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash from Employee's wages or other cash compensation which would otherwise be payable to Employee by the Company, equal to the amount necessary to satisfy any such obligation.

(c) The Company shall withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates, unless Employee elects, pursuant to the Company's prescribed procedures as in effect from time to time, to have withholding for Tax Related Items based on the maximum withholding rate applicable to Employee. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, Employee is deemed to have been issued the full number of shares of Common Stock due to him or her at vesting, notwithstanding that a number of shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Employee's participation in the Plans. Finally, Employee shall pay to the Company, prior to the release of Common Stock to Employee and no later than thirty (30) days after the vesting of the Performance Share Units, any amount of Tax-Related Items that the Company may be required to withhold as

a result of Employee's participation in the Plans that cannot be satisfied by the means previously described. The Company may refuse to issue shares of Common Stock to the Employee if Employee fails to comply with his or her obligations in connection with the Tax-Related Items as described herein. The Performance Share Units are intended to be "short-term deferrals" exempt from Section 409A of the Internal Revenue Code and shall be construed and interpreted accordingly.

9. Changes in Capital Structure. As more fully described in the 2010 Plan, if the outstanding shares of Common Stock at any time are changed or exchanged by declaration of a stock dividend, stock split, combination of shares, or recapitalization, the number and kind of Performance Share Units will be appropriately and equitably adjusted so as to maintain their equivalence to the proportionate number of shares.

10. Confidential Information, Intellectual Property and Noncompetition. **Employee acknowledges that Employee is in possession of and has access to confidential information of the Company and its Subsidiaries, including material relating to the business, products and services of the Company and its Subsidiaries, and that he or she will continue to have such possession and access during employment by the Company and its Subsidiaries. Employee also acknowledges that the business, products and services of the Company and its Subsidiaries are highly specialized and that it is essential that they be protected. Accordingly, Employee agrees to be bound by the terms and conditions set forth on Attachment II.**

11. Compliance with Securities Laws. The Company will not be required to deliver any shares of Common Stock pursuant to this Agreement if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933, as amended, or any other applicable federal or state securities laws or regulations or the laws of any other country. Prior to the issuance of any shares of Common Stock pursuant to this Agreement, the Company may require that Employee (or Employee's legal representative upon Employee's death or Disability) enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws or with this Agreement.

12. Limitation of Rights. Nothing in this Agreement or the Plans may be construed to:

(a) give Employee or any other person or entity any right to be awarded any further Performance Share Units (or other form of stock incentive awards) other than in the sole and absolute discretion of the Committee;

(b) give Employee or any other person or entity any interest in any fund or in any specified asset or assets of the Company (other than the Performance Share Units); or

(c) confer upon Employee or any other person or entity the right to continue in the employment or service of the Company or any Subsidiary.

13. Definitions.

- (a) “Agreement” is defined in the introduction.
- (b) “Clawback Policy” is defined in Section 14(j).
- (c) “Closed Periods” is defined in Section 4.
- (d) “Committee” is defined in Section 2(a).
- (e) “Common Stock” is defined in Section 1.
- (f) “Company” is defined in the introduction.

(g) “Detrimental Activity” means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to any breach of Attachment II or any situations where Employee: (i) divulges trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enters into employment with or otherwise provides services to (A) any company listed, as of the date of Employee’s Termination of Employment, on the Philadelphia Oil Service Sector Index (or any successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that Employee will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enters into employment with or otherwise provides services to any Direct Competitor (as defined in Section 13(h) below); (iv) engages or employs, or solicits or contacts with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvasses, solicits, approaches or entices away or causes to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the Performance Period and up to and including the Vesting Date; (vi) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) takes any action that otherwise harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether Employee has engaged in “Detrimental Activity.”

(h) “Direct Competitor” means any of the following: (i) Halliburton Company, Weatherford International plc, and Baker Hughes, a GE company and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

(i) “Disability” means such disability (whether physical or mental impairment) which totally and permanently incapacitates Employee from any gainful employment in any field which Employee is suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion, and as defined under article L341-4 of the Social Security Code.

(j) “Eligible Position” is defined in Section 2(d).

(k) “Employee” is defined in the introduction.

(l) “Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there is no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded will be the Fair Market Value.

(m) “Grant Date” is defined in the introduction.

(n) “Performance Period” is defined in Section 2.

(o) “Performance Share Units” is defined in Section 1.

(p) “Qualifying Termination” means a Termination of Employment due to Employee’s death, Disability, Retirement or Special Retirement.

(q) “Retirement” means either: (i) Employee’s voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 60 and 25 years of service, or (ii) Employee’s voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 55 and 20 years of service, subject, however, to the approval of either (A) the Committee, if Employee is an executive officer of the Company at the time of Employee’s election to retire, or (B) the Retirement Committee, if Employee is not an executive officer of the Company at the time of Employee’s election to retire, which approval under clauses (A) or (B) may be granted or withheld in the sole and absolute discretion of the Committee or the Retirement Committee, as applicable.

(r) “Retirement Committee” means a committee consisting of the Company’s Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(s) “Settlement Date” is defined in Section 3.

(t) “Special Retirement” means the Termination of Employment of Employee with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries.

(u) “Subsidiary” means (i) in the case of a corporation, a “subsidiary corporation” of the Company as defined in Section 424(f) of the Internal Revenue Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

(v) “Tax Date” is defined in Section 8(a).

(w) “Tax-Related Items” is defined in Section 8(b).

(x) “Termination of Employment” means the termination of Employee’s employment with the Company and its Subsidiaries; provided, however, that temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries will not constitute a Termination of Employment.

(y) “Transfer” is defined in Section 6(a).

(z) “2010 Plan” is defined in the introduction.

(aa) “Vesting Date” is defined in Section 2(a).

14. Miscellaneous.

(a) Employee hereby acknowledges that he or she is to consult with and rely upon only Employee’s own tax, legal, and financial advisors regarding the consequences and risks of this Agreement and any award of Performance Share Units.

(b) This Agreement will bind and inure to the benefit of and be enforceable by Employee, the Company and their respective permitted successors or assigns (including personal representatives, heirs and legatees). Employee may not assign any rights or obligations under this Agreement except to the extent, and in the manner, expressly permitted herein.

(c) The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

(d) It is intended that the Performance Share Units granted under the French sub plan qualify for the favorable tax and social security treatment applicable to free share awards granted in accordance with articles L.225-197-1 to L.225-197-6 of the French Commercial Code, as amended, and in accordance with the relevant provisions set forth by French tax law and the French tax administration. The terms of the French sub-plan shall be interpreted accordingly and in accordance with the relevant provisions set forth in French tax and social laws, as well as in the guidelines issued by the French tax and social administrations. In the event of any conflict between the French sub-plan, the Agreement and the Plans, the provisions of the French sub-plan shall govern for any grants made to Participants in France under the French sub-plan.

(e) This Agreement may not be amended or modified except by a written agreement executed by the Company and Employee or their respective heirs, successors, assigns and legal representatives. The captions of this Agreement are not part of the provisions hereof and are of no force or effect.

(f) The failure of Employee or the Company to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Employee or the Company may have under this Agreement will not be deemed to be a waiver of such provision or right or any other provision or right herein.

(g) Employee and the Company agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

(h) This Agreement, including all Attachments hereto, and the Plans (i) constitute the entire agreement among the Employee and the Company with respect to the subject matter hereof and this Agreement supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof; and (ii) are not intended to confer upon any other Person any rights or remedies hereunder. Employee and the Company agree that (A) no other party (including its agents and representatives) has made any representation, warranty, covenant or agreement to or with such party relating to the Performance Share Units other than those expressly set forth herein or in the Plans, and (B) such party has not relied upon any representation, warranty, covenant or agreement relating to the Performance Share Units, other than those referred to in clause (A) above. All references herein to "Agreement" will include all Attachments hereto.

(i) As Employee may work in various locations and to eliminate potential uncertainty over the governing law, this Agreement (including, for the sake of clarity, all Attachments) will be interpreted and construed exclusively in accordance with the laws of the State of Texas. Employee agrees that Texas, as Company's United States headquarters, has a greater legal interest in matters relating to this Agreement than any other state, has a greater public policy interest in matters relating to this Agreement than any other state, and has a greater factual relationship to matters relating to this Agreement than any other state. The sole, mandatory, and exclusive venue for any dispute arising from or related to Employee's employment with the Company and its Subsidiaries, and this Agreement (including, for the sake of clarity, all Attachments) will lie and be deemed as convenient, in Fort Bend County, Texas, state or federal court without regard to the conflict of law provisions thereof, or, at Company's option, any venue in which personal jurisdiction over Employee may be established. Employee waives any objection he or she may have to the venue of any such proceeding being brought in Fort Bend County, Texas courts and waives any claim that any such action or proceeding brought in the Fort Bend County, Texas courts has been brought in an inconvenient forum. In addition, Employee irrevocably and unconditionally submits to the exclusive personal jurisdiction of the Fort Bend County, Texas courts in any such suit, action or proceeding. Employee acknowledges and agrees that a judgment in any such suit, action or proceeding brought in the Fort Bend County, Texas courts will be conclusive and binding on Employee and may be enforced in any other courts to whose jurisdiction the Company or Employee is or may be subject to, by suit upon such judgment. Employee consents to the choice of law, jurisdiction and venue provisions of this Agreement and agrees that Employee will not contest these provisions in any future proceeding(s). EMPLOYEE AND COMPANY HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF THIS AGREEMENT OR ANY ATTACHMENT THERETO.

(j) Clawback Policy. The Company's policy on recoupment of performance-based bonuses, as amended from time to time (its "Clawback Policy"), will apply to the Performance Share Units, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that Employee is covered by the Clawback Policy. Employee acknowledges that if Employee is covered by such policy, the policy may result in the recoupment of Performance Share Units awarded, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which Employee becomes subject to such policy.

15. Acceptance of Award. Employee is deemed to accept the award of Performance Share Units under this Agreement and to agree that such award is subject to the terms and conditions set forth in this Agreement and the Plans unless Employee provides the Company written notification not later than 30 days after Employee's receipt of this Agreement of Employee's rejection of this award of Performance Share Units (in which case such awards will be forfeited and Employee will have no further right or interest therein as of such date). Employee hereby accepts such terms and conditions, subject to the provisions of the Plans and administrative interpretations thereof. Employee further agrees that such terms and conditions will control this Agreement, notwithstanding any provisions in any employment agreement or in any prior awards.

ATTACHMENT I
Performance Conditions

ATTACHMENT II
Confidential Information, Intellectual Property,
and Non-Compete Agreement

1. Definitions.

1.1. “Company Confidential Information” is any and all information in any form or format relating to the Company or any Affiliate (whether communicated orally, electronically, visually, or in writing), including but is not limited to technical information, software, databases, methods, know-how, formulae, compositions, drawings, designs, data, prototypes, processes, discoveries, machines, inventions, well logs or other data, equipment, drawings, notes, reports, manuals, business information, compensation data, clients lists, client preferences, client needs, client designs, financial information, credit information, pricing information, information relating to future plans, marketing strategies, new product research, pending projects and proposals, proprietary design processes, research and development strategies, information relating to employees, consultants and independent contractors including information relating to salaries, compensation, contracts, benefits, incentive plans, positions, duties, qualifications, project knowledge, other valuable confidential information, intellectual property considered by the Company or any of its Affiliates to be confidential, trade secrets, patent applications, and related filings and similar items regardless of whether or not identified as confidential or proprietary. For the purposes of this Attachment II, Company Confidential Information also includes any type of information listed above generated by the Company or any of its Affiliates for client or that has been entrusted to the Company or any of its Affiliates by a client or other third party.

1.2. “Intellectual Property” is all patents, trademarks, copyrights, trade secrets, Company Confidential Information, new or useful arts, ideas, discoveries, inventions, improvements, software, business information, lists, designs, drawings, writings, contributions, works of authorship, findings or improvements, formulae, processes, product development, manufacturing techniques, business methods, information considered by Company to be confidential, tools, routines and methodology, documentation, systems, enhancements or modifications thereto, know-how, and developments, any derivative works and ideas whether or not patentable, and any other form of intellectual property.

1.3. “Pre-existing Intellectual Property” is all Intellectual Property that was authored, conceived, developed, or reduced to practice by Employee before the term of Employee’s employment with the Company or any Affiliate began.

1.4 “Company Intellectual Property” is all Intellectual Property that was authored, conceived, developed, or reduced to practice by Employee (either solely or jointly with others), in the term of his/her employment: (a) at the Company’s expense or the expense of any Affiliate; (b) using any of the Company’s materials or facilities or the materials or facilities of any Affiliate; (c) during the Employee’s working hours; or (d) that is applicable to any activity of Company or any of its Affiliates, including but not limited to business, research, or development activities. Company Intellectual Property may be originated or conceived during the term of Employee’s employment but completed or reduced to practice thereafter. Company Intellectual Property will be deemed a “work made for hire” as that term is defined by the copyright laws of the United States. Company Intellectual Property

includes any Pre-existing Intellectual Property assigned, licensed, or transferred to Company, and any Pre-existing Intellectual Property in which Company has a vested or executory interest.

1.5. "Affiliate" means any entity that now or in the future directly or indirectly controls, is controlled by, or is under common control with Company, where "control" in relation to a company means the direct or indirect ownership of at least fifty-percent of the voting securities or shares.

2. Employee agrees to comply with all of the Company's policies and codes of conduct as it may promulgate from time to time, including those related to confidential information and intellectual property. Nothing in those policies will be deemed to modify, reduce, or waive Employee's obligations in this Attachment II. In the event of any conflict or ambiguity, this Attachment II prevails.

3. Company does not wish to receive from Employee any confidential or proprietary information of a third party to which Employee owes an obligation of confidence. Employee will not disclose to Company or any of its Affiliates or use while employed by Company or any of its Affiliates any information for which he or she is subject to an obligation of confidentiality to any former employer or other third party. Employee represents that his or her duties as an employee of Company and Employee's performance of this Attachment II do not and will not breach any agreement or duty to keep in confidence information, knowledge, or data acquired by Employee outside of Employee's employment with Company or any of its Affiliates.

4. During the Employee's term of employment, the Company or, applicable its Affiliates, will provide Employee and Employee will receive access to Company Confidential Information that is proprietary, confidential, valuable, and relates to Company's business.

5. Other than in the proper performance of Employee's duties for the Company or any of its Affiliates, Employee agrees not publish, disclose or transfer to any person or third party, or use in any way other than in Company's business or that of or any of its Affiliates, any confidential information or material of Company or any of its Affiliates, including Company Confidential Information and Company Intellectual Property, either during or after employment with Company.

6. Except as required in performing Employee's duties for the Company or any of its Affiliates, Employee agrees not remove from Company's premises or its control any Company Confidential Information including but not limited to equipment, drawings, notes, reports, manuals, invention records, software, customer information, well logs or other data, or other material, whether produced by Employee or obtained from Company. This includes copying or transmitting such information via personal digital devices, mobile phones, external hard drives, USB "flash" drives, USB storage devices, FireWire storage devices, floppy discs, CD's, DVD's, personal email accounts, online or cloud storage accounts, memory cards, Zip discs, and any other similar media or means of transmitting, storing or archiving data outside of Schlumberger-supported systems.

7. During the term of employment with Company or any of its Affiliates, Employee agrees not to engage, as an employee, officer, director, consultant, partner, owner or another capacity, in any activity or business competitive to that of the Company or any of its Affiliates.

8. Employee agrees to deliver all Company Confidential Information and materials to Company immediately upon request, and in any event upon termination of employment. If any such Company Confidential Information has been stored on any personal electronic data storage device, including a home or personal computer, or personal email, online or cloud storage accounts, Employee agrees to notify the Company and its Affiliates and make available the device and account to the Company for inspection and removal of the information.

9. Employee recognizes and acknowledges that Company Confidential Information constitutes protectable information belonging to Company and its Affiliates, including deemed trade secrets defined under applicable laws. In order to protect Company and its Affiliates against any unauthorized use or disclosure of Company Confidential Information and in exchange for the Company's promise to provide Employee with access to Company Confidential Information and other consideration during employment with Company and its Affiliates, Employee agrees that for a period of one year following the end of employment with Company, Employee will not within the Restricted Territory directly or indirectly work for or assist (whether as an owner, employee, consultant, contractor or otherwise) any business or commercial operation whose business directly or indirectly competes with any area of the Company's business in which Employee was employed by Company. Moreover, Employee agrees that Company may provide a copy of this Attachment II to any entity for whom Employee provides services in the one-year period following the date of termination of Employee's employment with Company and its Affiliates. In the event of breach by the Employee, the specified period will be extended by the period of time of the breach. Employee recognizes and acknowledges that the business, research, products, and services of Company and its Affiliates are by nature worldwide in scope, and that Company and its Affiliates are not required to maintain a physical location in close proximity to its customers. Employee agrees that in order to protect Company Confidential Information, business interests and goodwill, the "Restricted Territory" includes any county, parish, borough, or foreign equivalent: (1) in which Company has customers or service assignments about which Employee received or obtained Company Confidential Information during his/her employment with Company; (2) in which Employee had a customer or service assignment for Company in the one-year period preceding Employee's termination; or (3) in which Company had a work site, job site, facility, or office, at which Employee had a work activity for Company in the one-year period preceding Employee's termination. With respect to competitive activities in Louisiana, the Restricted Territory will be limited to the following parishes: Acadia, Allen, Bossier, Caddo, Calcasieu, Cameron, Claiborne, De Soto, Evangeline, Iberia, Jefferson, Lafayette, Lafourche, Orleans, Ouachita, Plaquemines, Red River, Sabine, St. Charles, St. Landry, St. Mary's, Tangipahoa, Terrabone, Union, Vermillion, and West Baton Rouge.

10. Company has attempted to place the most reasonable limitations on Employee's subsequent employment opportunities consistent with the protection of Company's and its Affiliates' valuable trade secrets, Company Confidential Information, business interests, and goodwill. Employee acknowledges that the limitations contained herein, especially limitations as to time, scope, and geography, are reasonable. In order to accommodate Employee in obtaining subsequent employment, Company and its Affiliates may, in their discretion, grant a waiver of one

or more of the restrictions on subsequent employment herein. A request for a waiver must be in writing and must be received by Company at least 45 days before the proposed starting date of the employment for which Employee is seeking a waiver. The request must include the full name and address of the organization with which Employee is seeking employment; the department or area in which Employee proposes to work; the position or job title to be held by Employee; and a complete description of the duties Employee expects to perform for such employer. The decision to grant a waiver will be in the Company's discretion. If Company decides to grant a waiver, the waiver may be subject to such restrictions or conditions as Company may impose and will not constitute a waiver of any other term.

11. While employed by Company and its Affiliates, and during the 18-month period or after employment with Company and its Affiliates ends, Employee will not directly nor indirectly, on Employee's own behalf or on behalf of any person or entity, recruit, hire, solicit, or assist others in recruiting, hiring, or soliciting any person, who is, at the time of the recruiting, hiring, or solicitation, an employee, consultant, or contractor of Company to leave Company and its Affiliates, diminish their relationship with the Company and its Affiliates, or work for a competing business. This restriction will be limited to persons: (1) with whom Employee had contact or business dealings while employed by Company and its Affiliates; (2) who worked in Employee's business unit (Group); or (3) about whom Employee had access to confidential information. In the event of breach by the Employee, the specified period will be extended by the period of time of the breach.

12. While employed by Company and its Affiliates, and during the 18-month period after employment with the Company and its Affiliates ends, Employee will not, directly or indirectly, on behalf of himself or others, contact for business purposes, solicit or provide services to clients, or entities considered prospective clients, of Company and its Affiliates for the purpose of selling products or services of the types for which Employee had responsibility or knowledge, or for which Employee had access to Company Confidential Information while employed by the Company and its Affiliates. This restriction applies only to clients of the Company and its Affiliates and entities considered prospective clients by the Company and its Affiliates with whom Employee had contact during the two years prior to the end of his/her employment with the Company and its Affiliates.

13. (a) Employee acknowledges that Company has agreed to provide Employee with Company Confidential Information during Employee's employment with Company and its Affiliates. Employee further acknowledges that, if Employee was to leave the employ of Company and its Affiliates for any reason and use or disclose Company Confidential Information, that use or disclosure would cause Company and its Affiliates irreparable harm and injury for which no adequate remedy at law exists. Therefore, in the event of the breach or threatened breach of the provisions of this Attachment II by Employee, Company and its Affiliates will be entitled to: **(i) recover from the Employee the value of any portion of the Award that has been paid or delivered; (ii) seek injunctive relief against the Employee pursuant to the provisions of subsection (b) below; (iii) recover all damages, court costs, and attorneys' fees incurred by the Company in enforcing the provisions of this Award, and (iv) set-off any such sums to which the Company or any of its Affiliates may be entitled hereunder against any sum which may be owed the Employee by the Company and its Affiliates.**

(b) Because of the difficulty of measuring economic losses to the Company or Employer as a result of a breach of the foregoing covenants, and because of the immediate and irreparable damage that could be caused to the Company for which it would have no other adequate remedy, the Employee agrees that the foregoing covenants may be enforced by the Company in the event of breach by him/her by injunction relief and restraining order, without the necessity of posting a bond, and that such enforcement will not be the Company's exclusive remedy for a breach but instead will be in addition to all other rights and remedies available to the Company.

(c) Each of the covenants in this Attachment II will be construed as an agreement independent of any other provision in this Attachment II, and the existence of any claim or cause of action of the Employee against the Company, whether predicated on this Attachment II or otherwise, will not constitute a defense to the enforcement by the Company of such covenants or provisions. Employee acknowledges that the remedies contained in the Attachment II for violation of this Attachment II are not the exclusive remedies that Company may pursue.

14. Employee agrees to promptly disclose in writing to Company all Company Intellectual Property conceived, developed, improved or reduced to practice by Employee during Employee's employment with Company and its Affiliates.

Employee will disclose to Company Employee's complete written record of any Company Intellectual Property, including any patent applications, correspondence with patent agents and patent offices, research, written descriptions of the technology, test data, market data, notes, and any other information relating to Company Intellectual Property. Employee will also identify all co-inventors, co-authors, co-composers, partners, joint venture partners and their employees, assistants, or other people to whom the Company Intellectual Property was disclosed in whole or in part, who participated in developing the Company Intellectual Property, or who claim an interest in the Company Intellectual Property. Employee's disclosure will conform to the policies and procedures in place at the time governing such disclosures.

During and after employment with Company, Employee will assist Company in establishing and enforcing intellectual property protection, including obtaining patents, copyrights, or other protections for inventions and copyrightable materials, including participating in, or, if necessary, joining any suit (for which Employee's reasonable expenses will be reimbursed), or including completing and any signing documents necessary to secure such protections, such contracts, assignments, indicia of ownership, agreements, or any other related documents pertaining to Company Intellectual Property which Company may, in its sole discretion, determine to obtain.

Employee agrees to assign and hereby assigns to Company all Company Intellectual Property including any and all rights, title, and ownership interests that Employee may have in or to Company Intellectual Property patent application, including copyright and any tangible media embodying such Company Intellectual Property, during and subsequent to Employee's employment. Company has and will have the royalty-free right to use or otherwise exploit Company Intellectual Property without any further agreement between Company and Employee. Company Intellectual Property remains the exclusive property of Company whether or not deemed to be a "work made for hire" within the meaning of the copyright laws of the United States. For clarity, Employee does not hereby assign or agree to assign any Pre-existing Intellectual Property to Company.

Employee is hereby notified that certain statutes in some U.S. states relate to ownership and assignment of inventions. At relevant locations and in accordance with those statutes, Company agrees that this Attachment II does not apply to an invention developed by Employee entirely on his or her own time without use of the Company Group's equipment, supplies, facilities, systems, or confidential information, except for inventions that relate to Company Group's business, or actual or anticipate research or development of Company Group or work performed by Employee for Company Group. For this purpose, "Company Group" means the Company and all Affiliates.

Employee will not destroy, modify, alter, or secret any document, tangible thing, or information relating to Company Intellectual Property or Company Confidential Information except as occurs in the ordinary performance of Employee's employment.

15. Waiver of any term of this Attachment II by Company will not operate as a waiver of any other term of this Attachment II. A failure to enforce any provision of this Attachment II will not operate as a waiver of Company's right to enforce any other provision of this Attachment II.

16. Employee represents and warrants that Employee is not a party to any other agreement that will interfere with Employee's full compliance with this Attachment II or that otherwise may restrict Employee's employment by Company or the performance of Employee's duties for Company. Employee agrees not to enter into any agreement, whether oral or written, in conflict with this Attachment II.

17. This Attachment II may be enforced by, will inure to the benefit of, and be binding upon Company, its successors, and assigns. This Attachment II is binding upon Employee's heirs and legal representatives.

18. Nothing in this Attachment II prohibits Employee from reporting possible violation of federal law or regulation to any governmental agency or entity, or making disclosures that are protected under a "whistleblower" provision of federal law or regulation.

19. If Employee is employed by an Affiliate of the Company or by accepting a transfer to an Affiliate of Company, Employee agrees to the automatic application of all of the terms of this Attachment II to said Affiliate contemporaneously with the acceptance of such transfer, subject to subsequent agreements, if any, executed by Employee and Affiliate of Company or Company, and to the fullest extent allowed by law.

20. Should any portion of this Attachment II be held invalid, unenforceable, or void, such holding will not have the effect of invalidating or voiding the other portions of this Attachment II. The parties hereby agree that any portion held to be invalid, unenforceable, or void will be deemed amended, reduced in scope or deleted to the extent required to be valid and enforceable in the jurisdiction of such holding. The parties agree that, upon a judicial finding of invalidity, unenforceability, or void, the court so finding may reform the agreement to the extent necessary for enforceability, and enter an order enforcing the reformed Attachment II. No court ordered reformation or amendment will give rise to a finding of knowing, willful, or bad faith unreasonableness against Company regarding this Attachment II.

21. This Confidential Information, Intellectual Property, Non-Compete, and Non-Solicitation Agreement supersedes any previous agreement, oral or written, between Employee and Company relating to the subject matter thereof.

APPENDIX: INTELLECTUAL PROPERTY ASSIGNMENT, DISCLOSURE AND WAIVER

The Attachment II, Confidential Information, Intellectual Property, Non-Compete, and Non-Solicitation Agreement this Appendix, and Employee promises to comply with the terms in this Appendix, and all rules, procedures, policies, and requirements that Company may promulgate consistent with this Appendix.

Automatic Assignment

The Attachment II, Confidential Information, Intellectual Property, and Non-Compete Agreement contains assignment of all Company Intellectual Property.

Employee's Duty to Disclose

For all Company Intellectual Property, Employee will complete and submit to Company an IP Disclosure Form. Company's receipt or acceptance of an IP Disclosure Form does not constitute an admission or agreement to any responses contained therein, does not waive or modify any terms of any agreement between Company and Employee, and does not obligate or bind Company.

Employee must complete and submit an IP Disclosure Form at conception of the invention, any derivative ideas or works, and any improvements or changes to existing knowledge or technology, or as soon as possible thereafter. Employee has a continuing obligation to update the IP Disclosure Form to maintain the form's completeness and correctness.

Employee may obtain an IP Disclosure Form from the Intellectual Property Department. Employee will submit the completed form to the Intellectual Property Department. If desired, Employee may request waiver any time after submitting the IP Disclosure Form.

Employee must retain and prevent destruction of any material referenced in the IP Disclosure Form, including and not limited to photographs, drawings, schematics, diagrams, figures, testing and development logs, notes, journals, and results, applications to, correspondence with, or registrations from, any patent office, trademark office, copyright office, customs office, or other authority, contracts, licenses, assignments, liens, conveyances, pledges, or other documentation potentially affecting your ownership rights, marketing materials, web sites, press releases, brochures, or other promotional or informational material, any materials evidencing or related to reduction to practice, and other related documentation.

Waiver of Automatic Assignment

Company may, in its sole discretion, waive the automatic assignment provision using such criteria as Company, in its sole discretion, may decide to use. No waiver of the automatic assignment provision is effective unless in a writing signed by a person authorized by the Company.

No waiver of the automatic assignment provision of any Company Intellectual Property relating to the business of the Company or arising out of Employee's employment with the Company will be effective without the submission of a complete and correct IP Disclosure Form. No waiver of the automatic assignment provision is effective if Employee's IP Disclosure Form is incomplete, incorrect, otherwise defective, or if any misrepresentation has been made. Employee is estopped from asserting waiver, and any waiver will be void and/or voidable, if the waiver is obtained in violation of the Attachment II, Confidential Information, Intellectual Property and Non-Compete Agreement, this Appendix, or obtained through fraud, negligence, failure to disclose, or incorrect, incomplete, or defective information on an IP Disclosure Form.

SCHLUMBERGER LIMITED
(the “Company”)
Addendum to
Restricted Stock Unit Award Agreements
Performance Share Unit Agreements
Incentive Stock Option Agreements
Non-qualified Stock Option Agreements
Issued Prior to July 19, 2017

The Compensation Committee of the Board of Directors of Schlumberger Limited (“the Company”) approved “net settlement”, sometimes referred to as “net exercise”, which permits employees to pay the exercise price of stock options with no cash out-of-pocket and no open market sale of shares. The Company withholds enough exercised shares to cover the full exercise price of the stock options and can also cover taxes due on the exercise. Employees receive only the net number of shares. Incentive Stock Options (“ISOs”) granted prior to July 19, 2017, do not qualify for net settlement.

The following supplemental provisions give effect to net settlement as approved by the Committee and apply, effective as of July 19, 2017, to the following stock incentive plans of the Company (all as amended and restated as of July 19, 2017, the “Plans”):

- the 1998 Stock Option Plan;
- the 2001 Stock Option Plan;
- the 2005 Stock Incentive Plan;
- the 2008 Stock Incentive Plan;
- the 2010 Omnibus Stock Incentive Plan;
- the 2013 Omnibus Stock Incentive Plan; and
- the 2017 Omnibus Stock Incentive Plan.

The supplemental provisions also apply to any employee’s Restricted Stock Unit Award Agreement, Performance Share Unit Agreement, Incentive Stock Option Agreement, and Non-Qualified Stock Option Agreement (the “Award Agreements”). As a result, any stock options, restricted stock units and performance share units you hold that were issued under the Plans are subject to the supplemental conditions.

All capitalized terms that are not defined in this Addendum have the meaning set forth in the applicable Plans and the Award Agreements. In the event there is a conflict between provisions in the Award Agreements and these supplemental provisions, these supplemental provisions will apply.

RSU Award Agreement

Section 6 (*January 2017 to April 2017 Agreements*) and Section 7 (*Prior to January 2017 Agreements*), Taxes, is deleted and replaced in its entirety with the following provisions:

6. Tax and Social Insurance Withholding

(a) Regardless of any action the Company takes with respect to any or all income tax (including foreign, federal, state and local taxes), social insurance, payroll tax, payment on account or other tax-related items related to Employee's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by Employee is and remains his or her responsibility and may exceed the amount actually withheld by the Company. Employee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the grant of the Restricted Stock Units, the vesting of the Restricted Stock Units, the conversion of the Restricted Stock Units into shares of Common Stock or the receipt of any equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at vesting, and (ii) does not commit to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Employee's liability for the Tax-Related Items.

(b) Prior to any relevant taxable or tax withholding event ("Tax Date"), as applicable, Employee will pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, Employee authorizes the Company or its agents, at its discretion, to satisfy the obligations with regard to all Tax-Related Items by one or both of the following: (i) accept a cash payment in U.S. dollars in the amount of the Tax-Related Items or (ii) withhold whole shares of Common Stock which would otherwise be delivered to Employee having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash from Employee's wages or other cash compensation which would otherwise be payable to Employee by the Company or from any equivalent cash payment received upon vesting of the Restricted Stock Units, equal to the amount necessary to satisfy any such obligation.

(c) The Company shall withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates, unless Employee elects, pursuant to the Company's prescribed procedures as in effect from time to time, to have withholding for Tax-Related Items based on the maximum withholding rate applicable to Employee. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, Employee is deemed to have been issued the full number of shares of Common Stock due to him or her at vesting, notwithstanding that a number of shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Employee's participation in the Plan. Finally, Employee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of Employee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue shares of Common Stock to the Employee if Employee fails to comply with his or her obligations in connection with the Tax-Related Items as described herein.

Three-Year PSU Award Agreement

Section 7, Taxes, is deleted and replaced in its entirety with the following provisions:

7. Tax and Social Insurance Withholding

(a) Regardless of any action the Company takes with respect to any or all income tax (including foreign, federal, state and local taxes), social insurance, payroll tax, payment on account or other tax-related items related to Employee's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by Employee is and remains his or her responsibility and may exceed the amount actually withheld by the Company. Employee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Share Units, including the grant of the Performance Share Units, the vesting of the Performance Share Units, the conversion of the Performance Share Units into shares of Common Stock or the receipt of any equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at vesting, and (ii) does not commit to structure the terms of the grant or any aspect of the Performance Share Units to reduce or eliminate Employee's liability for the Tax-Related Items.

(b) Prior to any relevant taxable or tax withholding event ("Tax Date"), as applicable, Employee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, Employee authorizes the Company or its agents, at its discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) accept a cash payment in U.S. dollars in the amount of the Tax-Related Items or (ii) withhold whole Shares which would otherwise be delivered to Employee having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash from Employee's wages or other cash compensation which would otherwise be payable to Employee by the Company or from any equivalent cash payment received upon vesting of the Performance Share Units, equal to the amount necessary to satisfy any such obligation.

(c) The Company shall withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates, unless Employee elects, pursuant to the Company's prescribed procedures as in effect from time to time, to have withholding for Tax-Related Items based on the maximum withholding rate applicable to Employee. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, Employee is deemed to have been issued the full number of shares of Common Stock due to him or her at vesting, notwithstanding that a number of shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Employee's participation in the Plan. Finally, Employee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of Employee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue shares of Common Stock to the Employee if Employee fails to comply with his or her obligations in connection with the Tax-Related Items as described herein. The Performance Share Units are intended to be "short-term deferrals" exempt from Section 409A of the Internal Revenue Code and shall be construed and interpreted accordingly.

Two-Year PSU Award Agreement

Section 9, Taxes, is deleted and replaced in its entirety with the following provisions:

9. Tax and Social Insurance Withholding

(a) Regardless of any action the Company takes with respect to any or all income tax (including foreign, federal, state and local taxes), social insurance, payroll tax, payment on account or other tax-related items related to Employee's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by Employee is and remains his or her responsibility and may exceed the amount actually withheld by the Company. Employee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Share Units, including the grant of the Performance Share Units, the vesting of the Performance Share Units, the conversion of the Performance Share Units into shares of Common Stock or the receipt of any equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at vesting, and (ii) does not commit to structure the terms of the grant or any aspect of the Performance Share Units to reduce or eliminate Employee's liability for the Tax-Related Items.

(b) Prior to any relevant taxable or tax withholding event ("Tax Date"), as applicable, Employee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, Employee authorizes the Company or its agents, at its discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) accept a cash payment in U.S. dollars in the amount of the Tax-Related Items or (ii) withhold whole Shares which would otherwise be delivered to Employee having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash from Employee's wages or other cash compensation which would otherwise be payable to Employee by the Company or from any equivalent cash payment received upon vesting of the Performance Share Units, equal to the amount necessary to satisfy any such obligation.

(c) The Company shall withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates, unless Employee elects, pursuant to the Company's prescribed procedures as in effect from time to time, to have withholding for Tax-Related Items based on the maximum withholding rate applicable to Employee. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, Employee is deemed to have been issued the full number of shares of Common Stock due to him or her at vesting, notwithstanding that a number of shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of Employee's participation in the Plan. Finally, Employee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of Employee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue shares of Common Stock to the Employee if Employee fails to comply with his or her obligations in connection with the Tax-Related Items as described herein. The Performance Share Units are intended to be "short-term deferrals" exempt from Section 409A of the Internal Revenue Code and shall be construed and interpreted accordingly.

ISO Award Agreement

Section 3, Exercise of ISO, subsection (a) (*April 2015 to April 2017 Agreements*) or Unnumbered paragraph 5 (*Agreements prior to April 2015*) is deleted and replaced in its entirety with the following provisions:

(a) This ISO may be exercised only by delivering to the Company a written notice (or an electronic notice in the manner specified by the Compensation Committee of the Board of Directors (the “Board”) of the Company (the “Committee”)) specifying the number of shares of Common Stock you wish to purchase. The Committee, which is authorized by the Board to administer the Plan, hereby notifies you that the ISO price may be paid, subject to such rules and procedures in effect at such time and as the Committee may prescribe from time to time, (1) in cash or certified check, (2) by the delivery of shares of Common Stock with a Fair Market Value at the time of exercise equal to the total ISO price, (3) by authorizing the Company to withhold a number of Option Shares otherwise deliverable on the exercise of the ISO with a Fair Market Value at the time of exercise equal to the total ISO price, (4) by a combination of the methods described in (1), (2) and (3), and (5) subject to applicable law, and the Company’s Securities Transactions – Insider Trading Standard through a broker-assisted cashless exercise, or “sell-to-cover” arrangement in accordance with the procedures approved by the Committee.

The following Section 11, Taxes, is added to the ISO Award Agreements dated January 2017 and April 2017 and subsequent sections renumbered accordingly:

11. Taxes. To the extent that the exercise of the ISO hereunder results in income to you for federal or state income tax purposes or in any other case where the Company holds the view that it is obligated to withhold taxes, you shall, at your election, (i) deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by you, at your election, or (ii) authorize the Company to withhold a number of Option Shares, valued at their Fair Market Value, or cash or other form of remuneration then or thereafter payable to you, in any case in an amount necessary to satisfy the Company’s tax withholding obligation (and increased, at your election, pursuant to the Company’s prescribed procedures as in effect from time to time, up to the maximum tax rate applicable to you).

The following Section 10, Taxes, is added to the ISO Award Agreements dated between April 2015 and January 2017 and subsequent sections renumbered accordingly:

10. Taxes. To the extent that the exercise of the ISO hereunder results in income to you for federal or state income tax purposes or in any other case where the Company holds the view that it is obligated to withhold taxes, you shall, at your election, (i) deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by you, at your election, or (ii) authorize the Company to withhold a number of Option Shares, valued at their Fair Market Value, or cash or other form of remuneration then or thereafter payable to you, in any case in an amount necessary to satisfy the Company’s tax withholding obligation (and increased, at your election, pursuant to the Company’s prescribed procedures as in effect from time to time, up to the maximum tax rate applicable to you).

The following paragraph is added to the ISO Award Agreements dated prior to April 2015:

Taxes. To the extent that the exercise of the ISO hereunder results in income to you for federal or state income tax purposes or in any other case where the Company holds the view that it is obligated to withhold taxes, you shall, at your election, (i) deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by you, at your election, or (ii) authorize the Company to withhold a number of Option Shares, valued at their Fair Market Value, or cash or other form of remuneration then or thereafter payable to you, in any case in an amount necessary to satisfy the Company's tax withholding obligation (and increased, at your election, pursuant to the Company's prescribed procedures as in effect from time to time, up to the maximum tax rate applicable to you).

Non-qualified Stock Option Award Agreement

Section 3, Exercise of Non-Qualified Option, subsection (a) (*April 2015 to April 2017 Agreements*) or Unnumbered paragraph 5 (*Agreements prior to April 2015*) is deleted and replaced in its entirety with the following provisions

3. Exercise of Non-Qualified Option

(a) This Non-Qualified Option may be exercised only by delivering to the Company a written notice (or an electronic notice in the manner specified by the Compensation Committee of the Board of Directors (the “Board”) of the Company (the “Committee”)) specifying the number of shares of Common Stock you wish to purchase. The Committee, which is authorized by the Board to administer the Plan, hereby notifies you that the Non-Qualified Option price may be paid, subject to such rules and procedures in effect at such time and as the Committee may prescribe from time to time, (1) in cash or certified check, (2) by the delivery of shares of Common Stock with a Fair Market Value at the time of exercise equal to the total Non-Qualified Option price, (3) by authorizing the Company to withhold a number of Option Shares otherwise deliverable on the exercise of the Non-Qualified Option with a Fair Market Value at the time of exercise equal to the total Non-Qualified Option price, (4) by a combination of the methods described in (1), (2) and (3), and (5) subject to applicable law, and the Company’s Securities Transactions – Insider Trading Standard through a broker-assisted cashless exercise, or “sell-to-cover” arrangement in accordance with the procedures approved by the Committee.

The following Section 11, Taxes, is added to the Non-Qualified Award Agreements dated January 2017 and April 2017 and subsequent sections renumbered accordingly:

11. Taxes. To the extent that the exercise of the ISO hereunder results in income to you for federal or state income tax purposes or in any other case where the Company holds the view that it is obligated to withhold taxes, you shall, at your election, (i) deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by you, at your election, or (ii) authorize the Company to withhold a number of Option Shares, valued at their Fair Market Value, or cash or other form of remuneration then or thereafter payable to you, in any case in an amount necessary to satisfy the Company’s tax withholding obligation (and increased, at your election, pursuant to the Company’s prescribed procedures as in effect from time to time, up to the maximum tax rate applicable to you).

The following Section 10, Taxes, is added to the Non-Qualified Stock Option Award Agreements dated between April 2015 and January 2017 and subsequent sections renumbered accordingly:

10. Taxes. To the extent that the exercise of the Non-Qualified Option hereunder results in income to you for federal or state income tax purposes or in any other case where the Company holds the view that it is obligated to withhold taxes, you shall, at your election, (i) deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by you, at your election, or (ii) authorize the Company to withhold a number of Option Shares, valued at their Fair Market Value, or cash or other form of remuneration then or thereafter payable to you, in any case in an amount necessary to satisfy the Company’s tax withholding obligation (and increased, at your election, pursuant to the Company’s prescribed procedures as in effect from time to time, up to the maximum tax rate applicable to you).

The following provisions are added to Non-Qualified Stock Option Award Agreements dated prior to April 2015:

Taxes. To the extent that the exercise of the Non-Qualified Option hereunder results in income to you for federal or state income tax purposes or in any other case where the Company holds the view that it is obligated to withhold taxes, you shall, at your election, (i) deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by you, at your election, or (ii) authorize the Company to withhold a number of Option Shares, valued at their Fair Market Value, or cash or other form of remuneration then or thereafter payable to you, in any case in an amount necessary to satisfy the Company's tax withholding obligation (and increased, at your election, pursuant to the Company's prescribed procedures as in effect from time to time, up to the maximum tax rate applicable to you).

Significant Subsidiaries

Listed below are the significant subsidiaries of the Registrant as of December 31, 2018, and the states or jurisdictions in which they are incorporated or organized. The indentation reflects the principal parenting of each subsidiary. The names of other subsidiaries have been omitted from the list below, since they would not constitute, in the aggregate, a significant subsidiary as of December 31, 2018.

Schlumberger B.V., Netherlands

 Cameron Lux I SARL, Luxembourg

 OneSubsea BV, Netherlands

 Schlumberger Canada Limited, Canada

Schlumberger SA, France

 Services Petroliers Schlumberger, France

Schlumberger Norge AS, Norway

Schlumberger Holdings Corporation, Delaware

 Cameron International Corporation, Delaware

 Schlumberger Technology Corporation, Texas

 Smith International Inc., Delaware

Schlumberger UK Limited, UK

 Schlumberger Plc, UK

 Schlumberger Oilfield UK Plc, UK

Schlumberger Oilfield Holdings Limited, BVI

 Schlumberger Holdings II Limited, BVI

 Dowell Schlumberger Corporation, BVI

 Schlumberger Logelco, Inc., Panama

 Schlumberger Middle East SA., Panama

 Schlumberger Offshore Services Limited, BVI

 Schlumberger Overseas, SA, Panama

 Schlumberger Seaco, Inc., Panama

 Schlumberger Oilfield Eastern Ltd., BVI

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-36366; 333-104225; 333-115277; 333-124534; 333-151920; 333-173055, as amended by post-effective amendment on Form S-8; 333-188589; 333-188590; 333-218181; and 333-218182); on Form S-3 (No.333-221161); on Form S-4 (No. 333-97899); and on Form S-4 as amended by post-effective amendment on Form S-8 (Nos. 333-207260 and 333-166326) of Schlumberger Limited of our report dated January 23, 2019 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
January 23, 2019

Powers of Attorney

Each of the undersigned, in the capacity or capacities set forth below his or her signature as a member of the Board of Directors and/or an officer of Schlumberger Limited, a Curaçao corporation, hereby appoints Simon Ayat, Howard Guild and Alexander C. Juden, or any of them, the attorney or attorneys of the undersigned, with full power of substitution and revocation, for and in the name, place and stead of the undersigned to execute and file with the Securities and Exchange Commission the Annual Report on Form 10-K under the Securities Exchange Act of 1934 (the "Exchange Act") for the fiscal year ending December 31, 2018, and any amendment or amendments to any such Annual Report on Form 10-K, and any agreements, consents or waivers relative thereto, and to take any and all such other action for and in the name and place and stead of the undersigned as may be necessary or desirable in order to comply with the Exchange Act or the rules and regulations thereunder.

/s/ Peter L.S. Currie

Peter L.S. Currie
Director

/s/ Tatiana Mitrova

Tatiana Mitrova
Director

/s/ Miguel Galuccio

Miguel Galuccio
Director

/s/ Indra K. Nooyi

Indra K. Nooyi
Director

/s/ V. Maureen Kempston Darkes

V. Maureen Kempston Darkes
Director

/s/ Lubna S. Olayan

Lubna S. Olayan
Director

/s/ Paal Kibsgaard

Paal Kibsgaard
Chairman of the Board and Chief Executive Officer

/s/ Mark G. Papa

Mark G. Papa
Director

/s/ Nikolay Kudryavtsev

Nikolay Kudryavtsev
Director

/s/ Leo Rafael Reif

Leo Rafael Reif
Director

/s/ Michael E. Marks

Michael E. Marks
Director

/s/ Henri Seydoux

Henri Seydoux
Director

Date: January 16, 2019

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Paal Kibsgaard, certify that:

1. I have reviewed this Annual Report on Form 10-K of Schlumberger Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 23, 2019

/s/ Paal Kibsgaard
Paal Kibsgaard
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Simon Ayat, certify that:

1. I have reviewed this Annual Report on Form 10-K of Schlumberger Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 23, 2019

/s/ Simon Ayat

Simon Ayat

Executive Vice President and Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Schlumberger N.V. (Schlumberger Limited) (the “Company”) for the year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paal Kibsgaard, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 23, 2019

/s/ Paal Kibsgaard
Paal Kibsgaard
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Schlumberger Limited and will be retained by Schlumberger Limited and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the year ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Simon Ayat, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 23, 2019

/s/ Simon Ayat

Simon Ayat

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Schlumberger Limited and will be retained by Schlumberger Limited and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act.

Mine Safety Disclosure

The following disclosure is provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977.

The table that follows reflects citations, orders, violations and proposed assessments issued by the Mine Safety and Health Administration (the “MSHA”) to M-I LLC, an indirect wholly-owned subsidiary of Schlumberger. The disclosure is with respect to the full year ended December 31, 2018. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by the MSHA at www.MSHA.gov.

Full Year 2018
(whole dollars)

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b) (2) Violations	Section 107(a) Orders	Proposed MSHA Assessments (1)	Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Amelia Barite Plant/1600825	0	0	0	0	0	\$118	0	N	N	0	0	0
Battle Mountain Grinding Plant/2600828	0	0	0	0	0	\$118	0	N	N	0	0	0
Galveston GBT Barite Grinding Plant/4104675	0	0	0	0	0	\$472	0	N	N	0	0	0
Greybull Milling Operation/4800602	1	0	0	0	0	*\$708	0	N	N	0	0	0
Greybull Mining Operation/4800603	0	0	0	0	0	\$118	0	N	N	0	0	0
Greystone Mine/2600411	0	0	0	0	0	\$118	0	N	N	0	0	0
Mountain Springs Beneficiation Plant/2601390	0	0	0	0	0	\$0	0	N	N	0	0	0
Wisconsin Proppants Hixton Mine/4703742	1	0	0	0	0	*\$399	0	N	N	0	0	0
Wisconsin Proppants Alma Mine/4703823	0	0	0	0	0	\$0	0	N	N	0	0	0
Wisconsin Proppants Monahans Mine/4105336	2	0	0	0	0	\$774	0	N	N	0	0	0
High Roller Sand/4105321	3	0	0	0	0	\$2,056	0	N	N	0	0	0

(1) Amounts included are the total dollar value of proposed assessments received from MSHA on or before December 31, 2018, regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the full year 2018. Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and sometimes dismissed. The number of citations, orders, and proposed assessments vary by inspector and also vary depending on the size and type of the operation.

*As of January 7, 2019, MSHA had not yet proposed an assessment for (1) S&S citation and (1) non-S&S citation at Greybull Milling Operations/4800602.

* As of January 7, 2019, MSHA had not yet proposed an assessment for (1) S&S citation and (2) non-S&S citations at Wisconsin Proppants Hixton Mine/4703742.