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## 2017 Employee Benefits Guide

*Nabors U.S. Hourly Employees*



# CEO Letter to Employees



Dear Employee, 

On behalf of the entire leadership team, I want to take this opportunity to welcome you to Nabors. We are pleased that you have chosen to join our unique and dynamic organization.

At Nabors, we pride ourselves on attracting and retaining highly skilled and talented people. We realize that it is through the full participation of all employees that we can achieve superior results. In return for this effort, we provide a comprehensive total rewards package. In this Employee Benefits Guide, you will find information about the following topics:

- **Health and welfare benefits:** We offer a variety of health and insurance options including basic life insurance, disability coverage, medical, dental, vision, health flexible spending accounts, optional life insurance and accidental death and dismemberment (AD&D) insurance.
- **Retirement program:** We offer a competitive 401(k) plan featuring company-match contributions.
- **Work and family benefits:** Work and family programs can provide substantial benefits to you, your family and your community. Benefits include the Dependent Care Flexible Spending Accounts, Employee Assistance Program (EAP), educational assistance, and special discounts.

Our goal is to provide competitive benefits at a reasonable cost – shared between you and Nabors. Employees share the costs in two ways. First, in the form of out-of-pocket expenses paid to doctors, hospitals and pharmacies in the forms of copays, coinsurance and deductibles. Second, you pay for healthcare premiums deducted from your paycheck.

We nurture a culture where our people have the opportunity to contribute, challenge one another and continuously improve. By demonstrating our core values of safety teamwork, innovation, accountability and excellence, you can help Nabors achieve its version of becoming the global driller of choice.

I'm pleased to welcome you to our team, and I look forward to our exciting future together.

Sincerely,



**Anthony G. Petrello**

Chairman, President and Chief Executive Officer  
Nabors Industries

# Welcome to your Benefits Guide!



## What you need to know and do:

- Read this benefits guide for information regarding benefit plans, costs and options for 2017.
- Benefit elections you make at new hire enrollment will become effective the first pay period after 60 days of employment, and continue through December 31, 2017.
- You will have 60 days from your date of hire to complete your enrollment. If you miss this enrollment window, you will have to wait until the annual enrollment period to enroll unless you have a qualified life status change. Visit: [myNabors/Employees/myBenefits/BenefitsEnrollment/2017EmployeeBenefitGuide-Hourly](https://myNabors.com/employees/myBenefits/BenefitsEnrollment/2017EmployeeBenefitGuide-Hourly)
- Once you submit your elections, you may not change them until the next annual enrollment period unless you have a qualified life status change such as birth, adoption, marriage, divorce, loss/gain of coverage under a Governmental or Educational Program, death of a dependent or change in the employment status of your dependent.
- During enrollment, you may enroll in the following benefit plans:
  - Medical, dental, and vision coverage
  - Flexible Spending Accounts - Health care and dependent care
  - Short-term disability and long-term disability
  - Optional life insurance and accidental death and dismemberment coverage
  - Voluntary benefits including critical illness, accident and legal plan
- With friendly mobile access, you have benefits at your fingertips and can complete the online enrollment with any of your mobile devices.
- Review and update your beneficiary designations and submit the completed form to the Benefits Department by faxing to our secure fax line at 1-281-775-8450.
- Check your benefits enrollment and keep a record of your confirmation number.
- Turn the page to get started! →



Visit [www.mynabors.com](http://www.mynabors.com) or



call 1-866-266-9040 for more information

# Health Plan

Nabors' health plan uses a nationwide preferred provider organization (PPO) network through BlueCross BlueShield. A PPO is a plan that offers access to providers who are within the network at discounted rates.

When you need medical care, you may choose to use either network or non-network providers. This means you direct your own care; you are not required to choose a primary care physician or to see only providers within the network. You also do not need referrals to see specialists. However, there are benefits of using network providers.



The following charts provide more details on covered expenses, plan highlights and employee cost.

When you use network providers...	When you use non-network providers...
You pay lower amounts for doctor visits	You pay a higher amount of covered expenses
You pay lower coinsurance for inpatient hospital, lab and x-ray charges	You pay any amounts that exceed reasonable and customary (R&C) limits as defined by the network
Providers file claims for reimbursement	You pay for services up-front and file claims for reimbursement
Your out-of-pocket expenses are capped	Your out-of-pocket expenses are capped at a higher amount*

*\*The out-of-pocket expense limit does not include charges that exceed R&C limits or non-covered expenses.*



Visit [www.bcbstx.com](http://www.bcbstx.com) or



call 1-888-233-6724 for more information



## Plan Highlights

Provider Services	In-Network Benefits	Non-Network Benefits
Annual Deductible	\$600 per individual, \$1,800 per family	\$1,200 per individual, \$3,600 per family
Hospital Admission Deductible per admission	\$500	\$500
Annual Benefit Maximum per person for all covered benefits	None	None
Annual Out-of-Pocket Maximum ( <i>In-network and non-network maximums are separate</i> )	\$4,500 per person \$9,000 per family	\$9,000 per person \$18,000 per family if you live in a network area
Office Visits ( <i>Primary Care Physician/Specialist</i> )	\$25/\$35	50% after deductible
Preventative Coverage ( <i>includes routine physicals, immunizations, pap smears, mammograms, hearing exams and diagnostic testing</i> )	100%	50% after deductible
Other Covered Services coinsurance	80% after deductible	50% after deductible

## Health Plan Employee Cost

Per Pay Period Contributions (pre-tax payroll deductions)	
Coverage Category	Per Pay Period (26)
Employee Only	\$44.28
Employee & Spouse	\$249.84
Employee & Child(ren)	\$154.53
Employee & Family	\$346.42

### Save money by using in-network providers

To protect you financially, if you incur substantial medical expenses, our plan limits the amount of coinsurance that you or your family will pay in a calendar year- called the out-of-pocket maximum.

For example, an employee who incurs \$32,000 of in-network hospital and surgical expenses pays a coinsurance rate of 20% including the \$500 deductible. Although 20% of \$32,000 is \$6,400, the individual out-of-pocket maximum is \$4,500 per year. Therefore, the plan pays \$27,500 of the eligible expenses, and the employee is responsible for \$4,500. Thankfully, high-dollar claims like this do not happen for the majority of individuals, but you can have peace of mind knowing Nabors' plans offer you a high level of protection should this happen to you or your family.



Visit [www.bcbstx.com](http://www.bcbstx.com) or



call 1-888-233-6724 for more information

# Prescription Drug Coverage

The prescription drug benefit is provided through the medical plan and is administered by Prime Therapeutics (Prime). If you enroll in the medical plan, you automatically receive prescription drug coverage.

Prime offers a large national network of retail pharmacies and a mail-service program called PrimeMail. The cost to you varies depending on whether you use generic or name brand drugs and whether you use an in-network pharmacy, a non-network pharmacy, or PrimeMail. If you use a non-network pharmacy, you will pay the full cost of your prescription. You may, however, be eligible for reimbursement of the prescription cost by submitting a claim.



As the cost of medical care continues to increase, it is important to remember that utilizing generic drugs is a good way to reduce prescription drug cost. Generic drugs can cost between 30 to 80 percent less than name brand drugs.

When you have a prescription filled at a network pharmacy, simply show your medical insurance card and pay the appropriate coinsurance for the covered drug. When purchasing up to a 30-day supply of covered medication at an in-network retail pharmacy, your costs are shown here:

Employee cost for up to a 30-day supply of medication at an in-network retail pharmacy	
Drug Type	Cost
Generic Drug	\$10
Preferred Brand Name	25% up to \$75 maximum
Non-Preferred Brand Name	40% up to \$150 maximum
Non-Preferred Brand/Specialty	50% up to \$200 maximum



Visit [www.myprime.com](http://www.myprime.com) or



call 1-877-357-7463 for more information

# Use Your Prescription Drug Mail Order Service and Save Money

PrimeMail is a convenient, mail-service pharmacy that delivers maintenance and/or long-term medications to the address of your choice. If you take a medication on an ongoing basis, ordering your prescription by mail can save you time and give you peace of mind knowing your medication will be delivered right to your home.

Talk to your physician and ask for a 90-day supply of each of your maintenance medications. This can help lower your out-of-pocket prescription cost. For example, when purchasing up to a 90-day supply of medication through PrimeMail, your costs are shown below:

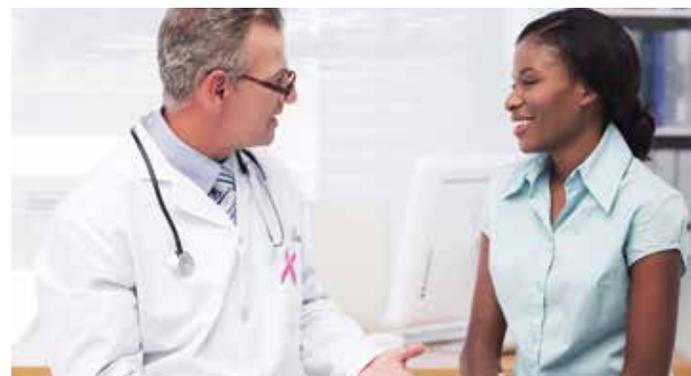
Employee cost for up to a 90-day supply of medication through PrimeMail	
Drug Type	Cost
Generic Drug	\$20
Preferred Brand Name	25% up to \$150 maximum
Non-Preferred Brand Name	40% up to \$300 maximum



To get started with PrimeMail, complete the online form to transition your prescriptions from a retail pharmacy to PrimeMail. You can expect to receive your medications shortly after PrimeMail receives approval from your physician.

## Airrosti

Airrosti providers are experts at diagnosing and rapidly resolving the source of your injury. Each patient receives one full hour of assessment, diagnosis, treatment, and education designed to eliminate the pain associated with many common conditions, allowing you to quickly and safely return to activity – usually within three visits (based on patient-reported outcomes). When using a general chiropractor, you will be subject to a deductible and coinsurance. With Airrosti, you will only have a \$25 copay.



Visit [www.airrosti.com](http://www.airrosti.com) or



call 1-800-404-6050 for more information

# Dental Plan

The dental plan provides comprehensive coverage for routine dental care for you and your family. The plan covers most necessary dental services and supplies including diagnostic and preventative care (such as exams, cleanings and x-rays) as well as basic and major restorative services (such as fillings, crowns and dentures). You can go to any dental provider you choose, but you will save money if you use dentists who participate in the BlueCross BlueShield Dental Network.



As an added advantage, network providers will file your claims for you. If you use a non-network provider, you may need to pay for services up-front and file claims for reimbursement. Also, you may be responsible for any non-network charges that exceed the Dental Plan's reasonable and customary limits.

## Plan Highlights

Provided Services	Plan Benefits
Annual Deductible per person	\$100
Annual Benefit Maximum	\$1,500
Preventative Services ( <i>Two exams/cleanings/x-rays per year</i> )	100%
Basic Services ( <i>fillings, extractions, root canals, periodontal scaling and surgery</i> )	80% after deductible
Major Services ( <i>crowns, bridges, dentures</i> )	50% after deductible
Orthodontic Coverage	Cover children up to age 19 at 50% coinsurance up to \$1,500 lifetime maximum

## Dental Plan Employee Cost

Per Pay Period Contributions (pre-tax payroll deductions)	
Coverage Category	Pay Per Period (26)
Employee Only	\$6.61
Employee and Spouse	\$14.33
Employee and Child(ren)	\$12.12
Employee and Family	\$19.84

## How to Get the Most from Your Dental Coverage

1. Have semi-annual preventive checkups and routine cleanings. The dental plan is designed to encourage you and your family to make semi-annual dental office visits. To promote preventative care, the plan pays all or most of routine dental check-ups including cleanings and exams.
2. Visit a dentist before serious problems develop. Prevention is always better than intervention. At the first sign of pain or inflammation, contact your dentist.
3. Understand the benefit provisions when you consider treatment options suggested by your dentist. Ask your dentist to provide a "pre-determination" amount before you agree to receive any prescribed major treatment, especially if it is expected to cost more than \$300. This will ensure you know what the plan will pay and what you will be responsible for prior to any treatment. Your dentist may be able to present alternative treatment options that will lower your share of the bill, while still meeting your basic dental care needs.
4. Consider your choice of dentist. Using an in-network provider usually maximizes your benefits and results in lower out-of-pocket costs. The percentage covered for each type of service is the same whether you select network or non-network providers. However, network providers have agreed to offer services at reduced rates. That means your share of expenses may be less when you select network providers.



Visit [www.bcbstx.com](http://www.bcbstx.com) or



call 1-800-521-2227 for more information

# Vision Plan

Vision coverage provides eye exams, lenses, frames and contacts for you and your eligible dependents once every calendar year. Our vision plan is offered through UnitedHealthcare.

## Provided Services

- In-network providers offer complete vision exams once every calendar year.
- Members are able to choose virtually any frame on the market today with the flexibility of a generous allowance. If the frame costs less than the allowance, there is no additional out-of-pocket cost. If the frame costs more than the allowance, members are responsible for the difference.
- The exam, fitting, contacts (including disposables), and up to two follow-up visits are also covered up to the allowable amount.
- Discounted pricing is also available on hearing aids.
- Through an alliance with Laser Vision Network of America, members have access to discounted laser eye procedures.

## Plan Highlights

Provided Services	Plan Benefits
Comprehensive eye exam once per calendar year	100%
Lenses once per calendar year	100%
Frames once per calendar year	\$130 retail frame allowance
Contact lenses in lieu of eye glasses once per calendar year	\$150 allowance
Standard scratch-resistant coating, platinum anti-reflective coating, photochromic lenses, and polycarbonate lenses	100%

## Vision Plan Employee Cost

Per Pay Period Contributions (pre-tax payroll deductions)	
Coverage Category	Pay Per Period Cost (26)
Employee Only	\$2.70
Employee and Spouse	\$5.00
Employee and Child(ren)	\$5.22
Employee and Family	\$8.06



Visit [www.myuhcvision.com](http://www.myuhcvision.com) or



call 1-800-638-3120 for more information

# Telemedicine Services

## Doctor on Demand

With Doctor On Demand, you're just an app away to help you with almost any common medical issues. Through your BlueCross BlueShield of Texas (BCBSTX) medical coverage and from the comfort of your home, you will get the care you need without having to go to the doctor's office. Doctor On Demand is an online video visit with some of the leading board-certified physicians in the country.

- Online Video - See a doctor using your computer over the Internet - please note that Telemedicine may not be available in all states per state law.\*
- Additional details can be found at [www.doctorondemand.com](http://www.doctorondemand.com).
- Doctor on Demand app – Download and register with the free Doctor on Demand app from the Apple iTunes App Store or Google Play to see and speak with a doctor from the convenience of your mobile device.

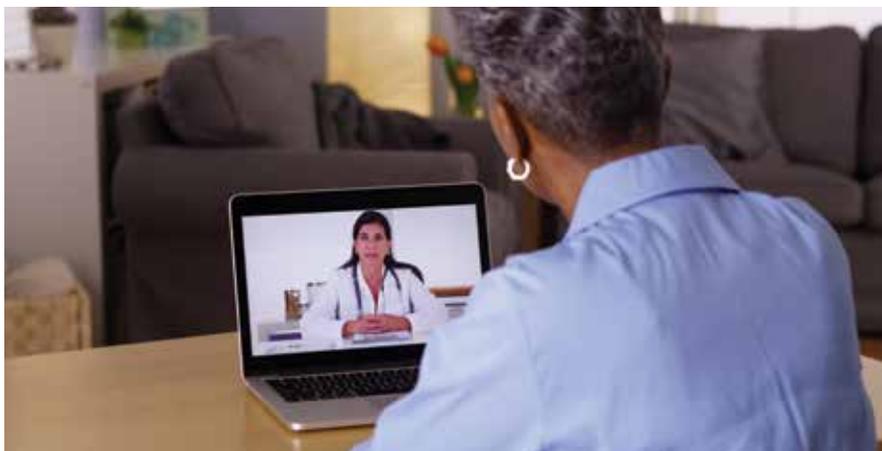
### What conditions can be treated via Doctor on Demand?

#### Top Medical Issues Treated:

- Cold and Flu
- Sinus and Allergies
- Skin and Eye Issues
- Sore Throat
- Pediatric Issues
- Pharmacy Rx, if needed
- UTI's
- Skin Issues and Rashes
- Diarrhea and Vomiting
- Sports Injuries
- Travel Illness
- Smoking Cessation



*\*A parent or guardian must be present during any interactions involving minors.*



Visit [www.doctorondemand.com](http://www.doctorondemand.com) or

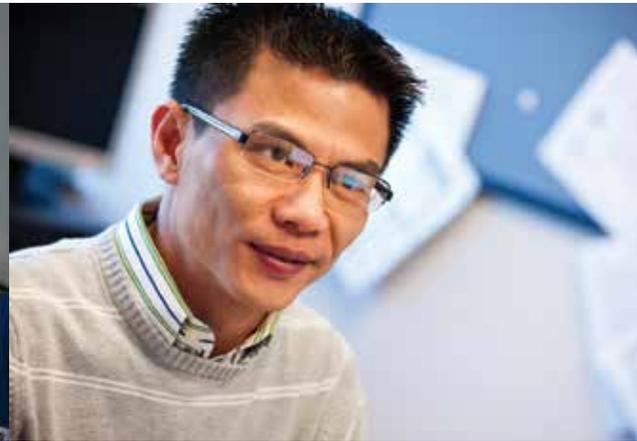


call 1-800-997-6196 for more information

# Flexible Spending Accounts

Nabors offers our employees Flexible Spending Accounts (FSA) administered by Bank of America. The purpose of the FSA is to allow you to set aside pre-tax money on an annual basis to pay for qualified health care and/or dependent day care expenses. By setting money aside, you can lower your taxable income.

There are two types of FSAs available to you: Health Care FSA and Dependent Care FSA



## Health Care FSA

The Health Care FSA reimburses you for medical, dental and vision expenses that are not fully reimbursed by your other benefit plans. For example, copays, coinsurance amounts and amounts above benefit plan. Over-the-counter medications require a prescription in order to qualify for reimbursement. You may use your Health Care FSA for yourself and eligible family members whether or not they are enrolled in the Nabors medical plan. The maximum amount you can contribute in 2017 is \$2,600 annually.



The Flexible Spending Account grace period allows you extra time to incur expenses to use your remaining Health Care FSA balance after the close of the plan year.

## Dependent Care FSA

The Dependent Care FSA reimburses you for eligible dependent day care expenses that enable you and/or your spouse to work. Eligible expenses include elderly or child care services such as day care and after-school care. The annual maximum amount you can contribute is \$5,000 if you are single or married filing jointly; or \$2,500 if you are married filing separately. You may receive reimbursement for qualified expenses only up to the account balance at the time you submit your request for reimbursement.

### How Does the Health Care FSA Work?

Simply determine the amount of money you would like to contribute for the year. A prorated portion of this amount is automatically deducted from your paycheck each pay period and allocated to a Health FSA account established on your behalf. When you enroll in the Health FSA, you will receive a Visa debit card from Bank of America. You can use your card to pay for qualified medical expenses, including doctors' visits and pharmacy prescriptions. **Be sure to keep your receipts in the event you are asked to substantiate your claims.** All FSA eligible expenses must be incurred by March 15 of the next plan year and you have until March 31 to submit your claims. **FSA elections do not automatically carry over from year-to-year. You must make an active election every year during annual enrollment.**



Visit <https://myhealth.bankofamerica.com> or



call 1-866-791-0250 for more information

# Voluntary Benefits

We know choice is an important factor when making healthcare decisions. These voluntary benefit programs provide more high-quality choices at competitive group rates to supplement coverage for you and your family.

## Accident Insurance

What would the financial impact of an injury mean to you? Are you prepared for high medical costs in addition to everyday household expenditures and lost wages? Out-of-pocket expenses associated with an accident are unexpected, but an accident's impact on your finances and your well-being certainly can be reduced.

After an accident, you may have expenses you've never thought about. Can your finances handle them? It's reassuring to know that the Aflac Accident Insurance plan can be there for you through the many stages of care, from the initial emergency treatment or hospitalization, to follow-up treatments or physical therapy.

## Critical Illness Insurance

Chances are you know someone who's been diagnosed with a critical illness such as cancer, a heart attack (myocardial infarction), stroke, major organ transplant, end stage renal failure or coronary artery disease. You can't help but notice the strain it's placed on the person's life—both physically and emotionally. What's not so obvious is the impact on that person's personal finances. While the person is busy getting well, the bills continue to pile up.

The Aflac Critical Illness Insurance plan can help with the treatment costs of covered critical illnesses. More importantly, the plan helps you focus on recuperation instead of the distraction and stress over the costs of medical and personal bills. With Critical Illness Insurance, you receive cash benefits directly (unless otherwise assigned) - giving you the flexibility to help pay bills related to treatment or to help with everyday living expenses. This lump sum benefit can be used to help pay for medical expenses, child care, household bills, credit card bills or anything else you choose. You cannot predict a critical illness, but you can prepare your family for the financial impact a critical illness can cause.

### Critical Illness Rates: Non-Tobacco User

\$20,000 Coverage Level		\$10,000 Coverage Level	
Employee Rates per Pay Period	Age	Spouse Rates per Pay Period	
\$4.50	18-29	\$2.65	
\$7.64	30-39	\$4.22	
\$14.75	40-49	\$7.78	
\$27.39	50-59	\$14.10	
\$50.28	60+	\$25.55	

### Critical Illness Rates: Tobacco User

\$20,000 Coverage Level		\$10,000 Coverage Level	
Employee Rates per Pay Period	Age	Spouse Rates per Pay Period	
\$7.08	18-29	\$3.95	
\$12.62	30-39	\$6.72	
\$30.07	40-49	\$15.44	
\$54.16	50-59	\$27.48	
\$99.67	60+	\$50.24	

Accident Insurance Rates	Pay Per Period
Employee	\$4.60
Employee and Spouse	\$6.83
Employee and Dependant Children	\$8.18
Employee and Family	\$10.40



Email [EmployerBenefitsInquiries.Service@Mercer.com](mailto:EmployerBenefitsInquiries.Service@Mercer.com) or



call 1-800-293-2497 for more information

## Accident Coverage: How it Works



Amount payable was generated based on benefit amounts for: Closed-Reduction Leg Fracture (\$1,200), Emergency Room Treatment (\$100), one Follow-Up Treatment (\$15), Ambulance (\$100) and Appliance (\$50)

## Critical Illness Coverage: How it Works



Amount payable based on \$20,000 first Occurrence Benefit

## Legal Insurance

If you have dependents and/or assets, you have legal exposure. What's more, legal costs are expensive—averaging \$290 per hour. It can be challenging to find an affordable attorney to represent you when you are buying, selling or financing a home, preparing your will or having trouble with creditors. Now there's an easy, affordable solution—Nabors Voluntary Benefits Legal Services.

Legal insurance provides coverage through Hyatt Legal Services. As a member, Hyatt Legal Services provides legal representation for you, your spouse and dependents at a price that won't break your budget. You will have access to more than 13,500 experienced attorneys nationwide for important, every day legal services. There are no deductibles, copayments, waiting periods, claim forms, or limits when you use an in-network attorney.

Legal Plan	Pay Per Period
Hyatt Legal Plans	\$7.62

<sup>1</sup>Average hourly rate of \$290.00/hour based on years of legal experience, National Law Journal and ALM Legal Intelligence, Survey of Law Firm Economics (2011).



Email [EmployerBenefitsInquiries.Service@Mercer.com](mailto:EmployerBenefitsInquiries.Service@Mercer.com) or



call 1-800-293-2497 for more information

# Life Insurance

Nabors provides several income protection plans to help you provide financial security for your family in the event of your death. Nabors pays the full cost of your Basic Life and Basic Accidental Death and Dismemberment (AD&D) coverage, which is provided through Prudential Life Insurance. You also have the option to purchase additional coverage if you would like more coverage than the company provides.

## Employee Life Insurance

Basic Life and Basic AD&D Insurance is provided by Nabors at no cost to you. The benefit is equal to your annual base salary, up to a maximum coverage of \$2 million under each plan. Basic Life pays your beneficiary a benefit in the event of your death. Basic AD&D pays you or your beneficiary a benefit for the loss of life or other injuries resulting from a covered accident. Injuries covered may include loss of sight or speech, paralysis, and dismemberment of hands or feet. Coverage for both plans reduces by 35% when the employee reaches age 65 and 50% when the employee reaches age 70.

**Optional Employee Life Insurance:** You may also purchase Employee Optional Life coverage up to four times your annual base salary, up to a maximum coverage of \$2 million (amounts greater than \$350,000 require Evidence of Insurability (EOI)). Premiums are paid with payroll deductions and rates are based on the employee's age. Coverage reduces by 35% when the employee reaches age 65 and 50% when the employee reaches age 70.

## Dependent Life

You may also purchase dependent life insurance coverage for your spouse and/or eligible child(ren). Premiums are paid with payroll deductions. To elect dependent coverage, you must be enrolled in Optional Employee Life coverage and your dependent must meet the definition of an "eligible dependent" (see page 14).

**Optional Spouse Life Insurance:** You may purchase coverage for your spouse in \$10,000 increments, not to exceed 50% of the Employee Optional Life elected amount, up to a maximum coverage of \$250,000 (amounts over \$50,000 require EOI). Coverage reduces by 35% when the employee reaches age 65 and 50% when the employee reaches age 70.

**Optional Child Life Insurance:** You may purchase life insurance coverage of \$10,000 for your child(ren). Premiums are a fixed amount and do not vary with the number of children covered. Unmarried dependent children are covered from live birth to age 26.

Optional Employee/Spouse Life Insurance Monthly Contributions (after-tax payroll deductions)	
Age Category	Rate per \$1000 of Coverage
Under Age 30	\$0.09
30-34	\$0.10
35-39	\$0.11
40-44	\$0.17
45-49	\$0.28
50-54	\$0.46
55-59	\$0.69
60-64	\$0.86
65-69	\$1.54
70-74	\$3.02
75 and Over	\$5.50

Optional Child Life Insurance Pay Per Period Contributions (after-tax payroll deductions)	
Coverage	Cost
10,000	\$0.36

## How to Calculate Your Optional Life Insurance Pay Period Cost:

Divide elected amount by 1,000. Multiply by the rate based on your age (see above chart). Multiply that amount by 12 to get your annual amount. Then divide by 26 to get your pay period amount.

*Example: (based on age 40-44 rate with \$30,000 elected amount)  
 $\$30,000/1,000 = \$30$ ;  $\$30.00 \times \$0.17 = \$5.10$ ;  $(\$5.10 \times 12)/26 = \$2.35$  per pay period*

### Do I need to provide proof of good health when purchasing life insurance?

You must provide proof of good health for yourself and/or your spouse to Prudential under the following circumstances:

- If you elect Optional Life Insurance with an elected coverage amount is greater than \$350,000.
- You elect Optional Spouse Life Insurance coverage is greater than \$50,000.

(Prudential must approve your EOI application before the coverage begins)



Visit [www.prudential.com](http://www.prudential.com) or



call 1-800-524-0542 for more information

# Optional Accidental Death and Dismemberment (AD&D) Insurance

Nabors provides you the opportunity to purchase additional optional AD&D insurance for yourself and your eligible dependents. Unmarried dependent children can be covered from live birth to age 26.

**Employee Coverage:** You may purchase coverage for yourself in \$10,000 increments up to a maximum coverage of \$2.5 million, not to exceed 10 times your annual base salary.

**Spouse Coverage:** You may purchase coverage for your spouse, not to exceed 50% of the employee Optional AD&D elected coverage amount.

**Children Coverage:** You may purchase coverage for your child(ren), not to exceed 15% of the employee Optional AD&D elected coverage amount.

**Family Coverage:** You may purchase a coverage amount for your spouse equal to 50% of the employee Optional AD&D elected amount. You may purchase a coverage amount for your child equal to 15% of the employee Optional AD&D elected amount.

Employee coverage reduces by 35% when the employee reaches age 65 and reduces 50% when the employee reaches age 70.

Spouse coverage reduces by 35% when the employee reaches age 65 and coverage terminates when the spouse reaches age 70.

Optional AD&D Life Insurance Monthly Contributions (after-tax payroll deductions)	
Coverage Category	Rate per \$1,000 of Coverage
Employee Only	\$0.07
Employee and Spouse	\$0.09
Employee and Child(ren)	\$0.09
Employee and Family	\$0.11

## Beneficiaries

The plan pays benefits to your named beneficiary in the event of your death. Please ensure you have your beneficiary designation on file. Beneficiary designation instructions and forms can be found in the "Forms/Links" section at [www.myNabors.com](http://www.myNabors.com).



Visit [www.prudential.com](http://www.prudential.com) or



call 1-800-524-0542 for more information

# Income Protection Programs

## Short-Term Disability

You are eligible for income protection under the Short Term Disability (STD) plan the first day of the pay period following 60 days of employment. STD coverage may replace a portion of your weekly base pay while on a physician-approved short term disability leave. Coverage costs are based on your age and annual base salary, as shown in the table below.

If you meet the disability requirements and are unable to work due to sickness or injury after 14 consecutive calendar days, you may receive up to 60% of your regular weekly base pay. Your disability coverage may continue for up to 24 weeks during a 12-month period for the same qualifying event or condition.

Optional Short-Term Disability Monthly Contributions (after-tax payroll deductions)	
Age Category	Rate per \$100 of Coverage
Under Age 25	\$0.22
25-29	\$0.26
30-34	\$0.26
35-39	\$0.34
40-44	\$0.45
45-49	\$0.57
50-54	\$0.73
55-59	\$0.97
60-64	\$1.11
65-69	\$1.32
70 and Over	\$2.24

### How to Calculate Your Optional Short Term Disability

**Pay Period Cost:** Multiply annual base pay by 60% and divide by 52 to get your weekly coverage amount. Multiply by the rate based on your age (see above chart) and divide by 10 to get your monthly premium. Multiply that amount by 12 to get your annual amount. Then divide by 26 to get your pay period amount.

*Example: (based on age 40-44 rate with \$30,000 annual salary)*  
 $(\$30,000 \times 60\%) / 52 = \$346.15$ ;  $(\$346.15 \times \$0.45) / 10 = \$15.58$ ;  
 $(\$15.58 \times 12) / 26 = \$7.19$  per pay period

## Long-Term Disability

You are eligible for income protection under the Long-Term Disability (LTD) plan the first day of the pay period following 60 days of employment. This benefit cost is based on your annual base salary and your age, as shown in the table below.

If you meet the disability requirements and are unable to work due to sickness or injury after 180 consecutive calendar days, you may receive up to 60% of your regular monthly base pay. Your disability coverage may continue until age 65\*, provided you continue to meet eligibility requirements. Benefits are calculated by using your annual base pay prior to the date your disability begins. LTD benefits are reduced by the amount of disability benefits received from other sources, such as Social Security or Worker's Compensation. The minimum monthly benefit is \$100.

Optional Long-Term Disability Monthly Contributions (after-tax payroll deductions)	
Age Category	Rate per \$100 of Coverage
Under Age 25	\$0.47
25-29	\$0.48
30-34	\$0.64
35-39	\$0.82
40-44	\$1.16
45-49	\$1.76
50-54	\$2.60
55-59	\$3.07
60-100	\$3.81

### How to Calculate Your Optional Long Term

**Disability Pay Period Cost:** Divide annual base pay by 100. Multiply by the rate based on your age (see above chart). Then divide by 26 to get your pay period amount.

*Example: (based on age 40-44 rate with \$30,000 annual base pay)*  
 $\$30,000 / 100 = \$300$ ;  $\$300 \times \$1.16 = \$348$ ;  $\$348 / 26 = \$13.38$  per pay period

\*If over age 65, see summary of benefits and coverage for additional benefit details.



Visit [www.prudential.com](http://www.prudential.com) or



call 1-800-842-1718 for more information

# 401(k) Retirement Savings Plan

Plan administered by Bank of America Merrill Lynch. The Nabors 401(k) Retirement Savings Plan can be one of the best ways to help you prepare for your financial future. This plan, as well as Social Security benefits and your personal savings, can help you build financial security for your retirement.

## Plan Highlights

- You are eligible to enroll on your date of hire, provided you are 18 years of age.
- You can contribute 1% to 40% of your eligible salary to a traditional 401(k) before-tax and/or Roth 401(k) after-tax, subject to IRS limits (\$18,000 in 2017).
- If you are age 50 or older by the end of the year and make the maximum allowed contribution to the plan, you may be eligible to make additional catch-up contributions (up to \$6,000 in 2017).
- Nabors will match dollar-for-dollar up to 5% of the employee eligible compensation.
- You are always 100% vested in your own contributions, company contributions and any rollover compensation.
- The plan may allow you to transfer balances from other employer-sponsored plans, with certain restrictions.
- Loans and in-service withdrawals are subject to plan guidelines.

## How Do I Enroll?

Nabors and Bank of America Merrill Lynch have created a one-stop resource for all your retirement needs. Please visit [www.benefits.ml.com](http://www.benefits.ml.com) to enroll, access plan rules, use investing tools, and more.

To enroll online, go to [www.benefits.ml.com](http://www.benefits.ml.com) and follow the prompts to create your user ID and password. Then click “enroll now”. This feature will be available the second Tuesday after your date of hire.

Designate your beneficiary online at [www.benefits.ml.com](http://www.benefits.ml.com). If you are married and wish to designate someone other than your spouse as a beneficiary, your spouse must complete a consent form and it must be notarized. You can get this form online or by calling 1-800-228-4015.



Visit [www.benefits.ml.com](http://www.benefits.ml.com) or



call 1-800-228-4015 for more information

# Important Information

## Balancing the Cost: It's a partnership!

We can all do more to lower health care costs and use our benefits more efficiently. Here are some ways that you can help yourself:

- Improve your diet and exercise more. Both have a huge impact on your health and your need for health care services.
- Take the time to learn more about the health care services you use, the prescriptions you take and other lower cost treatment alternatives. This is the foundation for better dialog with your physicians about proposed treatment plans.
- Take care of underlying health conditions. All too often, avoiding proper preventative care can lead to expensive and extensive treatments.
- The company continues to pay the vast majority of healthcare expenses and medical plan premiums. We remain committed to providing a competitive benefits package and providing a safety net of coverage by protecting our employees and

their families in the event of a serious injury or illness. A healthy and productive workforce benefits everyone at Nabors. Working together, we can both maintain strong benefit programs and manage costs.

## Do you have a beneficiary on file?

You can update your beneficiary designations at any time. It is important to periodically review the beneficiaries you have on file for all benefit plans. Please keep in mind that the health and welfare designations are completely separate from savings plan beneficiaries. Separate designations need to be made for those plans. As you have changes in your family, please review and update this information to ensure your designations are always current. To complete a beneficiary designation form for health and welfare plans, go to [www.myNabors.com](http://www.myNabors.com) then select NaborsNet > Corporate Services > Human Resources > Benefits > Forms > Beneficiary Designation Form. Submit the completed form to the Benefits Department by faxing to our secured line at 1-281-775-8450.

## Changes in Life Status

Whether you bring home a new child from the hospital or adoption agency, get married or divorced – don't forget to make the appropriate change within 30 days of the event.

If you do not make changes to your Health and Welfare plan coverage within the 30-day period, you will not be able to make the change until the next Annual Enrollment period.

This may result in a new dependent not being covered. For example, assume you have (or adopt) a baby on January 25, 2017. You must add the child to your medical coverage within 30 days – by February 24, 2017 – to ensure coverage for the child. If you fail to enroll the baby within this timeframe, you will not have another opportunity to add the baby until next Annual Enrollment in late 2017 to be effective January 1 for the following year. The same process must be followed when your dependents are no longer eligible for coverage. Please visit [www.myNabors.com](http://www.myNabors.com) to process your life change within 30 days of the event and provide the required documentation.



# Additional Benefits

**The Employee Assistance Program (EAP)** is a confidential, professional counseling service designed to provide you and your eligible dependents with counseling for personal or work-related concerns. Nabors provides this service at no cost to you through Guidance Resources.

You may receive three face-to-face sessions (per issue, per year and per person in your family) with a mental health provider. Counselors are also available 24 hours a day, seven days a week by telephone to discuss various personal and work issues including relationships, stress, anxiety, depression, alcohol and drug abuse, grief/loss, marital/family and job conflicts.

**Legal Assistance and Financial Counseling:** Guidance Resources is your one stop for expert information to assist you with the issues that matter to you, from personal and family concerns to legal and financial concerns. Let the experts work for you.

**Beneficiary Financial Counseling:** Financial Point provides financial planning assistance to beneficiaries and/or employees with approved Accelerated Benefit Option claims as a result of death or terminal illness at no cost to you or beneficiary. In addition, your beneficiary will receive one year of access to financial professionals through a toll-free number for any questions they may have.

 Visit [www.guidanceresources.com](http://www.guidanceresources.com)  
 or call 1-800-311-4327 for more information

**Estate guidance** is provided to all eligible employees and offers free online will preparation at no cost to you. You also have access to additional legal documents for a nominal fee.

Also, if a legal issue arises, attorneys are available to provide confidential support with practical, understandable information. If you require representation, you can also be referred to a qualified attorney in your area for a free 30-minute consultation with a 25% legal fees reduction thereafter.

**24/7 Nurseline:** Health concerns don't always follow a nine to five schedule. Fortunately, employees who elect medical coverage have access to a 24-hour, seven days a week telephone line staffed by knowledgeable registered nurses who can answer your health questions.

 Visit [www.bcbstx.com](http://www.bcbstx.com) or  
 call 1-800-581-0368 for more information

**Blue365 Member Discount Program:** For members of participating BlueCross BlueShield companies, Blue365 offers discounts on fitness gear, gym memberships, healthy eating options and more.

 Visit [www.blue365deals.com](http://www.blue365deals.com)  
for more information.



# Who is Eligible for Benefits?

Full-time U.S. hourly employees scheduled to work at least 30 hours per week are eligible to participate in the plan options presented within this guide. Your legal spouse and dependent children under the age of 26 may also be eligible for medical, dental and vision coverage. However, in an effort to keep your health care costs low, if your spouse is eligible for any level of medical coverage through his or her employer, he or she is ineligible for medical coverage under the Nabors plan.

Dependent verification will be conducted approximately three weeks after enrollment, you will be required to provide proof of dependent eligibility. If you fail to provide the requested information, you may be financially responsible for claims incurred by dependents found to be ineligible by the plan. A packet will be mailed to the address Nabors has on file for you from Aon Hewitt with information and steps needed for completing the verification process.



## Eligible dependents include:

- Your legal spouse
- Your common-law spouse (in states that recognize common-law-marriage).
- Your dependent children, including your:
  1. Natural children;
  2. Legally adopted children and children placed with you for adoption;
  3. Stepchildren; and
  4. Children for whom you have legal custody as determined by a court of competent jurisdiction.

## You may cover your eligible dependents under the plans as follows:

Plan	Dependents Eligible for Plan Participation				
	Spouse	Children 18 & under	Unmarried child up to age 25	Child up to age 26	Unmarried child up to age 26
Medical	✓			✓	
Dental	✓			✓	
Vision	✓			✓	
Accidental Death and Dismemberment (AD&D)	✓				✓
Dependent Life Insurance	✓		✓		
Critical Illness	✓				
Accident	✓	✓			



Visit [www.mynabors.com](http://www.mynabors.com) or



call 1-866-266-9040 for more information

# How to Enroll

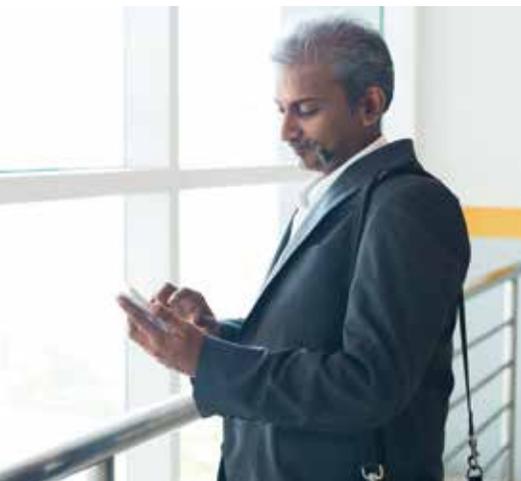
Now with friendly mobile access, you will have benefits at your fingertips. You can now complete your online enrollment via your mobile devices or your computer. You will have 60 days to enroll from your date of hire. If you miss this enrollment window, you will have to wait until Annual Enrollment unless you have a qualified life status change.

1. Log on to [www.mynabors.com](http://www.mynabors.com) using your mobile device or desktop by logging in with your Windows login and password.
2. Once logged in, click the “Employees” tab and then go to myBenefits > Benefits Enrollment > New Hire to enroll.
3. When you are ready to enroll and make elections, click the Enrollment tab. Then select “Click here to enroll” under New Hire.
4. Once you have completed your enrollment elections, be sure to print a copy of your enrollment elections and/or write down your confirmation number. If you do not receive a confirmation number, you will need to submit your elections again. Please call the Benefits Department if you need assistance.

## No Online Access?

Call our Benefits Department at 1-866-266-9040 to speak with a Nabors Benefits representative. Benefits representatives are available to take your call from 8 a.m. to 5 p.m. CST Monday through Friday. Please be sure to have the dates of birth and social security numbers for all dependents.

- For privacy reasons, we accept calls only from employees.
- If you reach a voicemail, please leave a message with your day time phone number and your call will be returned promptly.



Visit [www.mynabors.com](http://www.mynabors.com) or



call 1-866-266-9040 for more information

# Provider Contact Information

Plans and Service	Online/Email	Phone Number	Group Number
<b>Nabors Benefits Department</b>			
Employee Benefits Portal Access	<a href="http://www.mynabors.com">www.mynabors.com</a>		
Benefits Department Email	<a href="mailto:BenefitsHelp@nabors.com">BenefitsHelp@nabors.com</a>		
Benefits Department Phone Line		1-866-266-9040	
Benefits Department Secure Fax		1-281-775-8450	
<b>Medical</b>			
BlueCross BlueShield of Texas - PPO	<a href="http://www.bcbstx.com">www.bcbstx.com</a>	1-888-233-6724	80189
BCBSTX 24/7 Nurse Line		1-800-581-0368	
<b>Prescription Drug Program</b>			
Prime Therapeutics PrimeMail	<a href="http://www.myprime.com">www.myprime.com</a>	1-877-357-7463	80189
<b>Dental</b>			
BlueCross BlueShield of Texas - PPO	<a href="http://www.bcbstx.com">www.bcbstx.com</a>	1-800-521-2227	82896
<b>Vision</b>			
UnitedHealthcare	<a href="http://www.myuhcvision.com">www.myuhcvision.com</a>	1-800-638-3120	4346
<b>Flexible Spending Accounts (FSA)</b>			
Bank of America Customer Care Center	<a href="https://myhealth.bankofamerica.com">https://myhealth.bankofamerica.com</a>	1-866-791-0250	
<b>Disability</b>			
Prudential	<a href="http://www.prudential.com">www.prudential.com</a>	1-800-842-1718	50282
<b>Life Insurance</b>			
Prudential	<a href="http://www.prudential.com">www.prudential.com</a>	1-800-524-0542	50282-37
<b>Retirement Savings Plan</b>			
Bank of America Merrill Lynch 401(k)	<a href="http://www.benefits.ml.com">www.benefits.ml.com</a>	1-800-228-4015	608050
<b>Employee Assistance Program (EAP)</b>			
Guidance Resources	<a href="http://www.guidanceresources.com">www.guidanceresources.com</a>	1-800-311-4327	MGR311
<b>Voluntary Benefits</b>			
Mercer	<a href="mailto:EmployerBenefitsInquiries.Service@Mercer.com">EmployerBenefitsInquiries.Service@Mercer.com</a>	1-800-293-2497	
<b>Telemedicine Services</b>			
Doctor on Demand	<a href="http://www.doctorondemand.com">www.doctorondemand.com</a>	1-800-997-6196	

Visit [www.airrosti.com](http://www.airrosti.com) or

call 1-800-404-6050 for more information



Visit [www.mynabors.com](http://www.mynabors.com) or



call 1-866-266-9040 for more information





**Employer Contact:**

**Le Pan**

Director of Benefits, Compensation & Talent Acquisition  
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