Corporate Governance Guidelines

Functions of the Board

The Schlumberger Articles of Incorporation give the Board specific responsibility for appointment and compensation of the Chief Executive Officer and other executive officers who manage the Company, as well as for determining the compensation of Board members. The Board also performs the following functions:

1. Reviewing the Chief Executive Officer's objectives and performance evaluation as approved and determined by the Compensation Committee.
2. Reviewing and approving Schlumberger's strategies and long-term plans and major corporate actions, as well as monitoring their progress.
3. Reviewing, with the assistance of the Audit Committee, the financial, legal and ethical controls of the Company and ensuring that appropriate compliance processes are in place.
4. Reviewing major allocations of capital and approving significant business acquisitions and divestitures.
5. Nominating candidates for election by the General Meeting of Shareholders to membership on the Board based upon the recommendations of the Nominating and Governance Committee.
6. Reviewing succession planning.

Board Size

The Schlumberger Articles of Incorporation provide that the number of directors shall be at least five and not more than twenty-four, as fixed and elected by the General Meeting of Shareholders. The Board believes that the optimal number is between ten and fifteen, and normally recommends a number within that range to the General Meeting of Shareholders based upon the recommendations of the Nominating and Governance Committee.

Director Qualification Standards

The individual qualifications sought in potential Director nominees identified by the Nominating and Governance Committee for consideration by the Board are set forth in the Charter of that Committee. The following standards are also applied in the selection of candidates for nomination:

1. Independence. At least a majority of the Board should consist of directors who the Board has determined do not have any material relationships, directly or indirectly, with Schlumberger and meet the New York Stock Exchange ("NYSE") independence criteria.

2. Personal Loans. Schlumberger policy prohibits personal loans or extensions of credit to directors or executive officers.

3. Retirement Policy. Non-executive directors are normally nominated for re-election up to their 70th birthday, and executive directors are normally nominated for re-election up to their 65th birthday.

4. Change in Principal Occupation. Candidates for nomination are required to agree to submit their resignation from the Board to the Nominating and Governance Committee if they change their principal occupation. The Committee will inform the Board as to whether or not it recommends the acceptance of the resignation.

5. Other Board Directorships. Non-executive directors are required to inform the Nominating and Governance Committee of any new listed company board to which they have been nominated for election as director and of any change in their existing status as director on any other board. Executive directors and executive officers are required to obtain approval from the Nominating and Governance Committee before accepting a nomination for election as director on any other listed company board.

Directors' Time Commitment and Availability

Directors are expected to regularly attend Board meetings and meetings of the committees on which they serve, and to undertake any additional tasks assigned to them by the Board, as recommended by the Nominating and Governance Committee. They are expected to review all materials distributed to them in advance of the meetings, to periodically review materials posted on the Board website between meetings to keep them informed about the Company's business and performance, and to spend the time necessary to prepare for meetings. Directors must be contactable by the Chairman and the Secretary on short notice and be available for special meetings of the Board when necessary.

Conflicts of Interest

Each director is expected to be familiar with and follow the Schlumberger Code of Ethics and Conflicts of Interest Policy. If an actual or potential conflict of interest develops, or a situation arises which might give the appearance of such a conflict, the director should immediately report the matter to the Secretary and to the Chair of the Nominating and Governance Committee. If a director has a personal, business or professional interest in a matter before the Board, the director shall disclose the interest to the Board, excuse himself or herself from discussions on the matter and not vote on the matter.

Board and Committee Access to Management and Advisors

The Board and its Committees have full and free access to officers and employees of Schlumberger, and are free to retain independent legal, financial or other advisors, as they deem necessary. For purposes of preparing the agenda for Board and Committee meetings, the Chairman and Committee Chairs regularly solicit suggestions from the Directors for presentations by executive officers and other senior managers at Board and Committee meetings. Any additional meetings or contacts that a director wishes to initiate may be arranged through the Chairman, the Secretary, or any Committee Chair.

Director Compensation

The Compensation Committee considers various factors in determining the form and amount of director compensation to recommend to the Board, including alignment of incentives with the interests of the Company and its shareholders, the maintenance of the independence of a majority of members of the Board, consideration of the work load, time commitment and responsibilities involved in Board and Committee meeting participation, and comparison with the compensation practices of comparable companies.

Director Orientation and Continuing Education

Each new director is given an introduction to the Board's duties and practices, as well as to Schlumberger, its businesses and operations, its financial strategies, its controls and compliance systems and its compensation and benefits plans, within six months of the annual meeting of shareholders at which the director is elected to the Board. The full Board participates in periodic reviews of the Company's businesses, informal discussions with managers of Schlumberger business units and visits to key Schlumberger operating sites. The Board and its Committees also receive updates on evolving corporate governance standards and relevant best practices as appropriate.

Executive Sessions of the Non-Executive Directors

Executive sessions of the non-executive directors shall be scheduled at every regular Board meeting, and as requested by a director. At least one executive session each year shall include sufficient time for review of the Chief Executive Officer's objectives and performance evaluation. Periodically the Board shall select the independent director to preside at executive sessions.

Succession Planning

At least one executive session of the Board each year will include review of the Chief Executive Officer's recommendations as to Schlumberger executives who may be qualified at that time, or are being developed, to succeed the Chief Executive Officer in an emergency or upon his or her retirement. During periods of active succession planning, the non-executive directors carefully consider the Chief Executive Officer's proposed approach to the decision and transition as well as any other approach that they deem appropriate.

Annual Performance Evaluation of the Board

The Nominating and Governance Committee conducts an annual self-evaluation by the directors of the Board's performance, and the full Board discusses the results and considers ways to improve Board practices. The Committee reviews these Corporate Governance Guidelines on the basis of that evaluation and discussion, as well as developments in law, listing standards, and governance best practices, and recommends any appropriate changes to the Board for its consideration.

Policy on Bonus Recoupment in Restatement Situations

In the event that financial results are significantly restated due to fraud or intentional misconduct, the Board will review any performance-based bonuses paid to executive officers who are found to be personally responsible for the fraud or intentional misconduct that caused the need for the restatement and will, to the extent permitted by applicable law, seek recoupment of any amounts paid in excess of the amounts that would have been paid based on the restated financial results.