

Lobbying activity policy

Baker Hughes participates in advocacy on public policy issues that we believe are important. The company employs, and occasionally contracts for, lobbying services. These activities are carried out in compliance with all legal requirements. In the US and in select countries outside the US, lobbying communications with government officials and employees are subject to restrictions and requirements, including pre-approvals. Numerous laws regulate the activities of Baker Hughes and its employees regarding lobbying legislative, regulatory, procurement, and other matters. Failure to comply with these laws, even if that failure is inadvertent and caused by lack of awareness of the law, could result in a legal violation, civil or criminal penalties, and reputational risk. Employees who engage in communications with government officials or government employees must refrain from making communications that create an appearance of an attempt to influence or reward a governmental act or decision in an inappropriate manner.

Lobbying in the US

Interaction with government officials at the US federal, state, and local levels is highly regulated and, at all times, the company is committed to adhering to all applicable rules and regulations requiring registration and disclosure of our activities. Employees are generally discouraged from engaging in lobbying (either directly or indirectly via a third-party lobbyist or other non-Baker Hughes entity) of US government officials or government employees without first obtaining approval from Global Government Affairs. Before engaging in any lobbying activities, employees are instructed to contact Global Government Affairs to ensure that any lobbying activities are compliant with applicable laws, including those regarding the disclosure of lobbying activities. In addition, outside consultants may not be retained or otherwise engaged to lobbying on behalf of the company without prior approval from Global Government Affairs.

US federal lobbying registration and reporting requirements

At the federal level, Baker Hughes files a consolidated quarterly lobbying report pursuant to the LDA. This report includes lobbying activity by Baker Hughes employees, the issues and legislation lobbied, the agencies and houses of congress contacted, and the company's lobbying expenses, including payments to third-party entities such as consultants and trade associations. To ensure that Baker Hughes is properly registering its federal lobbyists and reporting covered activities, and to ensure that employees who engage in lobbying are aware of applicable requirements and restrictions, Baker Hughes requires employees to obtain prior approval from Global Government Affairs before engaging in lobbying communications. Baker Hughes employees who engage in direct or indirect lobbying communications must report their associated time and expenses.

US restrictions on “lobbying” to obtain federal contracts

Federal law prohibits the use of appropriated funds in connection with lobbying activities to influence or attempt to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with the award, extension, continuation, renewal, amendment, or modification of federal contracts, grants, loans, loan insurance, or cooperative agreements. Known as the “Truth in the Lobbying Act” or “Byrd Amendment,” the provision is incorporated in all federal solicitations for contracts and grants and agreements and requires certifications of compliance as well as both special and periodic disclosures to the government. Given the complex nature of this law and the importance of compliance with its requirements, any business component that lobbies for the purpose of influencing the award of specific federal contracts or other awards must obtain the pre-approval of Global Government Affairs and the Government Contracts Center of Excellence.

US state and local lobbying

In addition to filing federal lobbying reports, seeking to influence official decisions at the state and local levels, including grassroots activities, may trigger additional and separate registration and reporting requirements and restrictions under applicable law. There is not a uniform system that covers all state and local jurisdictions and each jurisdiction at the state, city or county level may have adopted its own lobbying registration requirements that are based on the amount of time spent, the official contacted, or the amount of money expended in that jurisdiction. In some jurisdictions, registration may be required before making a contact with a public official. To ensure that Baker Hughes is complying with all applicable lobbying registration and reporting requirements and to ensure that Baker Hughes employees who engage in lobbying are aware of applicable requirements and restrictions, the Company requires employees to obtain prior approval from Global Government Affairs before engaging in state or local lobbying.

Lobbying outside the United States

Certain countries outside the US have laws that require the disclosure and reporting of lobbying activities. Employees are not permitted to engage in lobbying (either directly or via a third-party lobbyist) of government officials outside the US without prior permission from Global Government Affairs.

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Trade associations and coalitions

As part of our advocacy efforts, we participate in a number of trade organizations and industry groups representing the interests of our industry and the broader business community. While Baker Hughes may not always support every position taken by these organizations or other members, we believe our participation in these organizations is important and furthers our goals. Payments to these organizations and groups, including membership fees and dues, will be accompanied by an instruction that these organizations and groups not use our funds for election-related activity, including contributions and expenditures for candidates, ballot initiatives, political party committees, or PACs. Additionally, requests for special assessments or increased dues for special projects must be carefully reviewed and approved by Global Government Affairs to ensure that participation advances the common goals and interests of Baker Hughes.

In addition to the approval processes outlined above, the Governance and Nominating Committee of the Board of Directors annually reviews corporate political spending and receives reports that provide information on non-deductible payments to trade associations and tax-exempt organizations that exceed \$50,000 USD annually and payments for lobbying activity to ensure that the company's spending reflects the company's policies and overall values.