

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**FORM 10-Q**  
(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

For the quarterly period ended September 30, 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: 001-36053

**Frank's International N.V.**  
(Exact name of registrant as specified in its charter)

<b>The Netherlands</b>	<b>98-1107145</b>
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification number)
<b>Mastenmakersweg 1</b> <b>1786 PB Den Helder, The Netherlands</b>	<b>Not Applicable</b>
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +31 (0)22 367 0000

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 (§232.405 of this chapter) 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an 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	<input type="checkbox"/>		Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		Smaller reporting company <input type="checkbox"/>
			Emerging growth company <input type="checkbox"/>

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 Exchange Act).  
Yes  No

As of October 31, 2018, there were 224,242,222 shares of common stock, €0.01 par value per share, outstanding.

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## TABLE OF CONTENTS

Page

### PART I. FINANCIAL INFORMATION

<b>Item 1.</b>	<b><i>Financial Statements</i></b>	
	Condensed Consolidated Balance Sheets (Unaudited) at September 30, 2018 and December 31, 2017	<a href="#">3</a>
	Condensed Consolidated Statements of Operations (Unaudited) for the Three and Nine Months Ended September 30, 2018 and 2017	<a href="#">4</a>
	Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) for the Three and Nine Months Ended September 30, 2018 and 2017	<a href="#">5</a>
	Condensed Consolidated Statements of Stockholders' Equity (Unaudited) for the Nine Months Ended September 30, 2018 and 2017	<a href="#">6</a>
	Condensed Consolidated Statements of Cash Flows (Unaudited) for the Nine Months Ended September 30, 2018 and 2017	<a href="#">7</a>
	Notes to the Unaudited Condensed Consolidated Financial Statements	<a href="#">8</a>
<b>Item 2.</b>	<b><i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i></b>	<a href="#">29</a>
<b>Item 3.</b>	<b><i>Quantitative and Qualitative Disclosures About Market Risk</i></b>	<a href="#">40</a>
<b>Item 4.</b>	<b><i>Controls and Procedures</i></b>	<a href="#">40</a>

### PART II. OTHER INFORMATION

<b>Item 1.</b>	<b><i>Legal Proceedings</i></b>	<a href="#">41</a>
<b>Item 1A.</b>	<b><i>Risk Factors</i></b>	<a href="#">41</a>
<b>Item 5.</b>	<b><i>Other Information</i></b>	<a href="#">43</a>
<b>Item 6.</b>	<b><i>Exhibits</i></b>	<a href="#">45</a>
	<b><i>Signatures</i></b>	<a href="#">46</a>

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

FRANK'S INTERNATIONAL N.V.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (In thousands, except share data)

	September 30, 2018 (Unaudited)	December 31, 2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 166,127	\$ 213,015
Short-term investments	80,438	81,021
Accounts receivables, net	163,020	127,210
Inventories, net	70,925	76,420
Assets held for sale	12,048	3,792
Other current assets	8,271	10,437
Total current assets	500,829	511,895
Property, plant and equipment, net	398,695	469,646
Goodwill	211,040	211,040
Intangible assets, net	26,838	33,895
Other assets	35,000	35,293
Total assets	\$ 1,172,402	\$ 1,261,769
<b>Liabilities and Equity</b>		
Current liabilities:		
Short-term debt	\$ 432	\$ 4,721
Accounts payable and accrued liabilities	94,484	108,885
Deferred revenue	125	4,703
Total current liabilities	95,041	118,309
Deferred tax liabilities	223	229
Other non-current liabilities	27,955	27,330
Total liabilities	123,219	145,868
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Common stock, €0.01 par value, 798,096,000 shares authorized, 225,397,828 and 224,228,071 shares issued and 224,228,269 and 223,289,389 shares outstanding	2,828	2,814
Additional paid-in capital	1,060,350	1,050,873
Retained earnings	32,758	106,923
Accumulated other comprehensive loss	(31,515)	(30,972)
Treasury stock (at cost), 1,169,559 and 938,682 shares	(15,238)	(13,737)
Total stockholders' equity	1,049,183	1,115,901
Total liabilities and equity	\$ 1,172,402	\$ 1,261,769

The accompanying notes are an integral part of these condensed consolidated financial statements.

**FRANK'S INTERNATIONAL N.V.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>Revenues:</b>				
Services	\$ 103,911	\$ 92,547	\$ 301,005	\$ 272,402
Products	25,075	15,536	75,635	64,071
Total revenue	<u>128,986</u>	<u>108,083</u>	<u>376,640</u>	<u>336,473</u>
<b>Operating expenses:</b>				
Cost of revenues, exclusive of depreciation and amortization				
Services	65,726	55,501	193,951	162,501
Products	19,421	16,230	58,474	61,526
General and administrative expenses	37,526	39,963	116,608	125,107
Depreciation and amortization	26,998	30,650	84,160	92,700
Severance and other charges (credits), net	(4,852)	1,648	(2,483)	2,386
Gain on disposal of assets	(2,242)	(829)	(1,790)	(2,091)
Operating loss	<u>(13,591)</u>	<u>(35,080)</u>	<u>(72,280)</u>	<u>(105,656)</u>
<b>Other income (expense):</b>				
Tax receivable agreement (“TRA”) related adjustments	(1,170)	122,515	(5,282)	122,515
Other income (expense), net	314	(384)	1,907	348
Interest income, net	866	1,019	2,419	2,170
Mergers and acquisition expense	—	—	(58)	(459)
Foreign currency gain (loss)	(879)	1,839	(3,442)	3,184
Total other income (expense)	<u>(869)</u>	<u>124,989</u>	<u>(4,456)</u>	<u>127,758</u>
Income (loss) before income taxes	(14,460)	89,909	(76,736)	22,102
Income tax expense (benefit)	(7,461)	87,613	(1,901)	72,419
<b>Net income (loss)</b>	<u>\$ (6,999)</u>	<u>\$ 2,296</u>	<u>\$ (74,835)</u>	<u>\$ (50,317)</u>
<b>Dividends per common share</b>	<u>\$ —</u>	<u>\$ 0.075</u>	<u>\$ —</u>	<u>\$ 0.225</u>
<b>Income (loss) per common share:</b>				
Basic	<u>\$ (0.03)</u>	<u>\$ 0.01</u>	<u>\$ (0.33)</u>	<u>\$ (0.23)</u>
Diluted	<u>\$ (0.03)</u>	<u>\$ 0.01</u>	<u>\$ (0.33)</u>	<u>\$ (0.23)</u>
<b>Weighted average common shares outstanding:</b>				
Basic	<u>224,182</u>	<u>223,056</u>	<u>223,912</u>	<u>222,847</u>
Diluted	<u>224,182</u>	<u>223,581</u>	<u>223,912</u>	<u>222,847</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**FRANK'S INTERNATIONAL N.V.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(In thousands)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>Net income (loss)</b>	\$ (6,999)	\$ 2,296	\$ (74,835)	\$ (50,317)
<b>Other comprehensive income (loss):</b>				
Foreign currency translation adjustments	95	1,488	(653)	2,809
<i>Marketable securities:</i>				
Unrealized gain (loss) on marketable securities	28	(101)	110	(105)
Reclassification to net income	—	—	—	(395)
Deferred tax asset / liability change	—	—	—	158
Unrealized gain (loss) on marketable securities, net of tax	28	(101)	110	(342)
<b>Total other comprehensive income (loss)</b>	<b>123</b>	<b>1,387</b>	<b>(543)</b>	<b>2,467</b>
<b>Comprehensive income (loss)</b>	<b>\$ (6,876)</b>	<b>\$ 3,683</b>	<b>\$ (75,378)</b>	<b>\$ (47,850)</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**FRANK'S INTERNATIONAL N.V.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands)  
(Unaudited)

Nine Months Ended September 30, 2017

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
	Shares	Value					
	<b>Balances at December 31, 2016</b>	222,401	\$ 2,802	\$ 1,036,786	\$ 317,270	\$ (32,977)	\$ (12,562)
Net loss	—	—	—	(50,317)	—	—	(50,317)
Foreign currency translation adjustments	—	—	—	—	2,809	—	2,809
Change in marketable securities	—	—	—	—	(342)	—	(342)
Equity-based compensation expense	—	—	11,458	—	—	—	11,458
Common stock dividends (\$0.225 per share)	—	—	—	(50,424)	—	—	(50,424)
Common shares issued upon vesting of share-based awards	694	7	(7)	—	—	—	—
Common shares issued for employee stock purchase plan ("ESPP")	50	1	511	—	—	—	512
Treasury shares issued upon vesting of share-based awards	4	—	(84)	—	—	66	(18)
Treasury shares issued for ESPP	106	—	(166)	(736)	—	1,642	740
Treasury shares withheld	(193)	—	—	—	—	(2,254)	(2,254)
<b>Balances at September 30, 2017</b>	<u>223,062</u>	<u>\$ 2,810</u>	<u>\$ 1,048,498</u>	<u>\$ 215,793</u>	<u>\$ (30,510)</u>	<u>\$ (13,108)</u>	<u>\$ 1,223,483</u>

Nine Months Ended September 30, 2018

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
	Shares	Value					
	<b>Balances at December 31, 2017</b>	223,289	\$ 2,814	\$ 1,050,873	\$ 106,923	\$ (30,972)	\$ (13,737)
Cumulative effect of accounting change	—	—	—	670	—	—	670
Net loss	—	—	—	(74,835)	—	—	(74,835)
Foreign currency translation adjustments	—	—	—	—	(653)	—	(653)
Change in marketable securities	—	—	—	—	110	—	110
Equity-based compensation expense	—	—	8,176	—	—	—	8,176
Common shares issued upon vesting of share-based awards	938	11	(11)	—	—	—	—
Common shares issued for ESPP	232	3	1,312	—	—	—	1,315
Treasury shares withheld	(231)	—	—	—	—	(1,501)	(1,501)
<b>Balances at September 30, 2018</b>	<u>224,228</u>	<u>\$ 2,828</u>	<u>\$ 1,060,350</u>	<u>\$ 32,758</u>	<u>\$ (31,515)</u>	<u>\$ (15,238)</u>	<u>\$ 1,049,183</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**FRANK'S INTERNATIONAL N.V.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	Nine Months Ended	
	September 30,	
	2018	2017
<b>Cash flows from operating activities</b>		
Net loss	\$ (74,835)	\$ (50,317)
Adjustments to reconcile net loss to cash used in operating activities		
Derecognition of the TRA liability	—	(122,515)
Depreciation and amortization	84,160	92,700
Equity-based compensation expense	8,176	11,458
Amortization of deferred financing costs	—	267
Deferred tax benefit	—	12,824
Reversal of deferred tax assets associated with the TRA	—	49,775
Provision for bad debts	68	358
Gain on disposal of assets	(1,790)	(2,091)
Changes in fair value of investments	(1,295)	(2,009)
Realized loss on sale of investment	—	478
Unrealized (gain) loss on derivatives	(442)	49
Other	—	(1,187)
Changes in operating assets and liabilities		
Accounts receivable	(37,252)	23,917
Inventories	(3,470)	6,146
Other current assets	2,237	7,097
Other assets	204	1,948
Accounts payable and accrued liabilities	(10,249)	8,310
Deferred revenue	(346)	(9,039)
Other non-current liabilities	(560)	(3,584)
<b>Net cash (used in) provided by operating activities</b>	<b>(35,394)</b>	<b>24,585</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangibles	(14,557)	(18,604)
Proceeds from sale of assets	4,419	10,690
Proceeds from sale of investments	67,934	11,499
Purchase of investments	(67,011)	(60,764)
Other	—	(64)
<b>Net cash used in investing activities</b>	<b>(9,215)</b>	<b>(57,243)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	(4,289)	(190)
Dividends paid on common stock	—	(50,424)
Net treasury shares withheld for taxes	(1,501)	(2,272)
Proceeds from the issuance of ESPP shares	1,315	1,252
Deferred financing costs	(161)	—
<b>Net cash used in financing activities</b>	<b>(4,636)</b>	<b>(51,634)</b>
Effect of exchange rate changes on cash	2,357	(1,896)
Net decrease in cash and cash equivalents	(46,888)	(86,188)
Cash and cash equivalents at beginning of period	213,015	319,526
Cash and cash equivalents at end of period	<b>\$ 166,127</b>	<b>\$ 233,338</b>
Non-cash transactions:		
Change in accounts payable and accrued liabilities related to capital expenditures	\$ (1,733)	\$ 3,983
Transfers from property, plant and equipment to assets held for sale	9,322	3,792
Net transfers from inventory to property, plant and equipment	(3,253)	(2,348)

The accompanying notes are an integral part of these condensed consolidated financial statements.



**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1—Basis of Presentation**

*Nature of Business*

Frank's International N.V. ("FINV"), a limited liability company organized under the laws of The Netherlands, is a global provider of highly engineered tubular services, tubular fabrication and specialty well construction and well intervention solutions to the oil and gas industry. FINV provides services and products to leading exploration and production companies in both offshore and onshore environments with a focus on complex and technically demanding wells.

*Basis of Presentation*

The condensed consolidated financial statements of FINV for the three and nine months ended September 30, 2018 and 2017 include the activities of Frank's International C.V. ("FICV"), Blackhawk Group Holdings, LLC ("Blackhawk") and their wholly owned subsidiaries (collectively, the "Company," "we," "us" or "our"). All intercompany accounts and transactions have been eliminated for purposes of preparing these condensed consolidated financial statements.

Our accompanying condensed consolidated financial statements have not been audited by our independent registered public accounting firm. The consolidated balance sheet at December 31, 2017 is derived from audited financial statements. However, certain information and footnote disclosures required by generally accepted accounting principles in the United States of America ("GAAP") for complete annual financial statements have been omitted and, therefore, these interim financial statements should be read in conjunction with our audited consolidated financial statements and notes thereto for the year ended December 31, 2017, which are included in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 27, 2018 ("Annual Report"). In the opinion of management, these condensed consolidated financial statements, which have been prepared pursuant to the rules of the SEC and GAAP for interim financial reporting, reflect all adjustments, which consisted only of normal recurring adjustments that were necessary for a fair statement of the interim periods presented. The results of operations for interim periods are not necessarily indicative of those for a full year.

The condensed consolidated financial statements have been prepared on a historical cost basis using the United States dollar as the reporting currency. Our functional currency is primarily the United States dollar.

*Reclassifications*

Certain prior-period amounts have been reclassified to conform to the current period's presentation. These reclassifications had no impact on our net income (loss), working capital, cash flows or total equity previously reported.

Our financial statements for the three and nine months ended September 30, 2017 have been revised to decrease "cost of revenues, services" and increase "cost of revenues, products" by the following immaterial amounts in order to correct a misclassification associated with Blackhawk product costs. While the revisions do impact two financial statement line items, the revisions had no impact on our net income (loss), working capital, cash flows or total equity previously reported (in thousands):

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>
	<b>September 30, 2017</b>		<b>September 30, 2017</b>
<b>Cost of revenues, exclusive of depreciation and amortization</b>			
Services, as previously reported	\$ 60,981	\$	178,865
Blackhawk adjustment	(5,480)		(16,364)
<b>Services, as revised</b>	<b>\$ 55,501</b>	<b>\$</b>	<b>162,501</b>
Products, as previously reported	\$ 10,750	\$	45,162
Blackhawk adjustment	5,480		16,364
<b>Products, as revised</b>	<b>\$ 16,230</b>	<b>\$</b>	<b>61,526</b>

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

During 2018, the Company's chief operating decision maker ("CODM") changed the methodology used to allocate bonus and medical claims expenses among segments. Previously, all U.S. bonus and medical claims expenses were absorbed by our U.S. Services segment. Beginning in the first quarter of 2018 for bonus expenses and the second quarter of 2018 for medical claims expenses, a portion of these expenses attributable to Blackhawk employees were allocated to the Blackhawk segment. The change in the allocation of all U.S. bonus and medical claims expenses had no impact on our consolidated operating income (loss), net income (loss), adjusted EBITDA, working capital, cash flows or total equity previously reported. However, segment operating income (loss) and segment adjusted EBITDA for the Blackhawk and U.S. Services segments were impacted. The Blackhawk segment for the three and nine months ended September 30, 2018 was charged \$1.6 million and \$3.2 million, respectively, for bonus and medical claims expenses which would have previously been charged to the U.S. Services segment.

***Recent Accounting Pronouncements***

Changes to GAAP are established by the Financial Accounting Standards Board ("FASB") generally in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification.

We consider the applicability and impact of all accounting pronouncements. ASUs not listed below were assessed and were either determined to be not applicable or are expected to have immaterial impact on our consolidated financial position, results of operations and cash flows.

In June 2018, the FASB issued new guidance which is intended to simplify aspects of share-based compensation issued to non-employees by making the guidance consistent with the accounting for employee share-based compensation. The guidance is effective for annual periods beginning after December 15, 2018, including interim periods within those periods. Management is evaluating the provisions of this new accounting guidance, including which period to adopt, and has not determined what impact the adoption will have on our consolidated financial statements.

In May 2017, the FASB issued new guidance to clarify and reduce both (i) diversity in practice and (ii) cost and complexity when accounting for a change to the terms and conditions of a share-based payment award. The guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. The amendments in this guidance should be applied prospectively to an award modified on or after the adoption date. We adopted the guidance on January 1, 2018 and the adoption did not have an impact on our consolidated financial statements.

In January 2017, the FASB issued new accounting guidance for business combinations clarifying the definition of a business. The objective of the guidance is to help companies and other organizations which have acquired or sold a business to evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. For public entities, the guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. We adopted the guidance on January 1, 2018 and the adoption did not have an impact on our consolidated financial statements.

In June 2016, the FASB issued new accounting guidance for credit losses on financial instruments. The guidance includes the replacement of the "incurred loss" approach for recognizing credit losses on financial assets, including trade receivables, with a methodology that reflects expected credit losses, which considers historical and current information as well as reasonable and supportable forecasts. For public entities, the guidance is effective for financial statements issued for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early application is permitted for all entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Management is evaluating the provisions of this new accounting guidance, including which period to adopt, and has not determined what impact the adoption will have on our consolidated financial statements.

In February 2016, the FASB issued new accounting guidance for leases. The main objective of the accounting guidance is to increase transparency and comparability among organizations by recognizing lease assets and lease

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP and the new guidance is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. The new guidance requires lessees to recognize assets and liabilities arising from leases on the balance sheet and further defines a lease as a contract that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Control over the use of the identified asset means that the customer has both (1) the right to obtain substantially all of the economic benefit from the use of the asset and (2) the right to direct the use of the asset. The accounting guidance requires disclosures by both lessees and lessors to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Further, in July 2018, the FASB amended the new lease accounting standard in an effort to reduce the burden of adoption. With the adoption of the new lease accounting standard, as amended, companies have the option of electing to apply the new lease accounting standard either on a retrospective or prospective basis. For public entities, the guidance is effective for financial statements issued for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are currently evaluating the impact the new accounting guidance for leases will have on our consolidated financial statements and plan to adopt the new lease accounting standard, as amended, on a prospective basis effective January 1, 2019. Additionally, we are implementing an enterprise-wide lease management system to assist in the accounting and are evaluating additional changes to our processes and internal controls to ensure we meet the standard's reporting and disclosure requirements. While we are still evaluating its impact, we anticipate that the adoption of the lease accounting standard will have an impact to the Company's consolidated balance sheets and the disclosures contained in the notes of its consolidated financial statements. At the present time, we do not anticipate any changes to either the statement of operations or statement of cash flows from the adoption of the new lease accounting standard.

In May 2014, the FASB issued amendments to guidance on the recognition of revenue based upon the entity's contracts with customers to transfer goods or services. Under the new revenue standard, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard creates a five-step model that requires companies to exercise judgment when considering the terms of a contract and all relevant facts and circumstances. The standard allows for two transition methods: (a) a full retrospective adoption in which the standard is applied to all periods presented, or (b) a modified retrospective adoption in which the standard is applied only to the most current period presented in the financial statements, including additional disclosures of the standard's application impact to individual financial statement line items. In July 2015, the FASB deferred the effective date to December 15, 2017 for annual periods, and interim reporting periods within those fiscal years, beginning after that date.

We adopted the new revenue standard effective January 1, 2018 using the modified retrospective method. We recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings. Our adjustment related solely to revenues from certain product sales with bill-and-hold arrangements in our Tubular Sales segment. The comparative information has not been restated and continues to be reported under the accounting standards which were in effect for those periods. The impact to revenue of applying the new revenue recognition standard for the three and nine months ended September 30, 2018 was immaterial. We expect the impact of the adoption of the new standard to be immaterial to our financial results on an ongoing basis.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The cumulative effect of the changes made to our consolidated January 1, 2018 balance sheet for the adoption of the new revenue standard was as follows (in thousands):

	<b>Balance at December 31, 2017</b>	<b>Impact of Adjustments</b>	<b>Balance at January 1, 2018</b>
<b>Balance Sheet</b>			
<b><u>Assets</u></b>			
Inventories, net	\$ 76,420	\$ (3,560)	\$ 72,860
<b><u>Liabilities</u></b>			
Deferred revenue	4,703	(4,230)	473
<b><u>Stockholders' Equity</u></b>			
Retained earnings	106,923	670	107,593

**Note 2—Revenues**

Revenues are recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Payment terms on services and products generally range from 30 days to 120 days. Given the short-term nature of our service and product offerings, our contracts do not have a significant financing component and the consideration we receive is generally fixed.

Service revenues are recognized over time as services are performed or rendered. We generally perform services either under direct service purchase orders or master service agreements which are supplemented by individual call-out provisions. For customers contracted under such arrangements, an accrual is recorded in unbilled revenue for revenue earned but not yet invoiced.

Revenues on product sales are generally recognized at a point in time when the product has shipped and significant risks of ownership have passed to the customer. The sales arrangements typically do not include a right of return or other similar provisions, nor do they contain any other post-delivery obligations.

Some of our Tubular Sales and Blackhawk segment customers have requested that we store pipe, connectors and other products purchased from us in our facilities. We recognize revenues for these "bill and hold" sales once the following criteria have been met: (1) there is a substantive reason for the arrangement, (2) the product is identified as the customer's asset, (3) the product is ready for delivery to the customer, and (4) we cannot use the product or direct it to another customer.

*Practical Expedients*

We elected to apply certain practical expedients available under the new revenue standard. We elected to expense cost of obtaining contracts, such as sales commissions, when incurred because the amortization period would have been one year or less due to the length of our contracts. We have also elected not to assess immaterial promises in the context of our contracts as performance obligations and to exclude taxes from the assessment of transaction price in arrangements where taxes are collected by the entity from a customer.

We do not disclose the value of unsatisfied performance obligations for contracts with an original expected duration of one year or less. Because our contracts with customers are short-term in nature and fall within this exemption, we do not have significant unsatisfied performance obligations as defined by the new revenue standard.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 3—Accounts Receivable, net**

Accounts receivable at September 30, 2018 and December 31, 2017 were as follows (in thousands):

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Trade accounts receivable, net of allowance of \$3,915 and \$4,777, respectively	\$ 98,997	\$ 83,482
Unbilled revenue	49,700	25,670
Taxes receivable	9,423	11,305
Affiliated <sup>(1)</sup>	549	716
Other receivables	4,351	6,037
Total accounts receivable, net	<u>\$ 163,020</u>	<u>\$ 127,210</u>

<sup>(1)</sup> Amounts represent expenditures on behalf of non-consolidated affiliates.

**Note 4—Inventories, net**

Inventories at September 30, 2018 and December 31, 2017 were as follows (in thousands):

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Pipe and connectors, net of allowance of \$20,911 and \$20,064, respectively	\$ 24,023	\$ 33,620
Finished goods, net of allowance of \$1,463 and \$1,520, respectively	18,142	14,541
Work in progress	8,071	9,206
Raw materials, components and supplies	20,689	19,053
Total inventories, net	<u>\$ 70,925</u>	<u>\$ 76,420</u>

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 5—Property, Plant and Equipment**

The following is a summary of property, plant and equipment at September 30, 2018 and December 31, 2017 (in thousands):

	Estimated Useful Lives in Years	September 30, 2018	December 31, 2017
Land	—	\$ 14,827	\$ 15,314
Land improvements <sup>(1)</sup>	8-15	15,082	14,594
Buildings and improvements <sup>(1)</sup>	39	104,077	119,380
Rental machinery and equipment	7	895,083	898,146
Machinery and equipment - other	7	61,531	55,049
Furniture, fixtures and computers	5	24,718	27,259
Automobiles and other vehicles	5	29,533	29,971
	7-15, or lease term if shorter		
Leasehold improvements <sup>(1)</sup>		11,823	10,030
Construction in progress - machinery and equipment and land improvements <sup>(1)</sup>	—	65,277	61,836
		1,221,951	1,231,579
Less: Accumulated depreciation		(823,256)	(761,933)
Total property, plant and equipment, net		<u>\$ 398,695</u>	<u>\$ 469,646</u>

<sup>(1)</sup> See Note 16—Subsequent Events for additional information.

During the third quarter of 2017, we committed to sell certain of our buildings in the International Services segment and determined those assets met the criteria to be classified as held for sale in our condensed consolidated balance sheet. As a result, we reclassified the buildings, with a net book value of \$4.1 million, from property, plant and equipment to assets held for sale and recognized a \$0.3 million loss.

During the first quarter of 2018, we sold one of the buildings classified as held for sale for \$0.8 million and recorded an immaterial loss.

During the second quarter of 2018, additional buildings with a net book value of \$4.5 million met the criteria to be classified as held for sale and were reclassified from property, plant and equipment to assets held for sale on our condensed consolidated balance sheet.

During the third quarter of 2018, we sold a building classified as held for sale with a net book value of \$0.3 million for \$2.6 million. In addition, a building with a net book value of \$5.0 million met the criteria to be classified as held for sale and was reclassified from property, plant and equipment to assets held for sale on our condensed consolidated balance sheet.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following table presents the depreciation and amortization expense associated with each line item for the three and nine months ended September 30, 2018 and 2017 (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Services	\$ 22,584	\$ 25,663	\$ 70,465	\$ 78,558
Products	1,051	1,278	3,319	3,838
General and administrative expenses	3,363	3,709	10,376	10,304
Total	<u>\$ 26,998</u>	<u>\$ 30,650</u>	<u>\$ 84,160</u>	<u>\$ 92,700</u>

**Note 6—Other Assets**

Other assets at September 30, 2018 and December 31, 2017 consisted of the following (in thousands):

	September 30, 2018	December 31, 2017
Cash surrender value of life insurance policies <sup>(1)</sup>	\$ 31,306	\$ 30,351
Deposits	2,619	2,564
Other	1,075	2,378
Total other assets	<u>\$ 35,000</u>	<u>\$ 35,293</u>

<sup>(1)</sup> See Note 9—Fair Value Measurements for additional information.

**Note 7—Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities at September 30, 2018 and December 31, 2017 consisted of the following (in thousands):

	September 30, 2018	December 31, 2017
Accounts payable	\$ 17,064	\$ 33,912
Accrued compensation	28,557	25,510
Accrued property and other taxes	13,685	16,908
Accrued severance and other charges	704	1,444
Income taxes	41	8,091
Accrued purchase orders and other	34,433	23,020
Total accounts payable and accrued liabilities	<u>\$ 94,484</u>	<u>\$ 108,885</u>

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 8—Debt**

At both September 30, 2018 and December 31, 2017, we had \$2.8 million in letters of credit outstanding.

***Credit Facility***

We had a \$100.0 million revolving credit facility with certain financial institutions, including up to \$20.0 million in letters of credit and up to \$10.0 million in swingline loans, which matured in August 2018.

During the fourth quarter of 2018, we entered into a new credit facility. Please see Note 16—Subsequent Events for further discussion.

***Citibank Credit Facility***

In 2016, we entered into a three-year credit facility with Citibank N.A., UAE Branch in the amount of \$6.0 million for the issuance of standby letters of credit and guarantees. The credit facility also allows for open ended guarantees. Outstanding amounts under the credit facility bear interest of 1.25% per annum for amounts outstanding up to one year. Amounts outstanding more than one year bear interest at 1.5% per annum. As of September 30, 2018 and December 31, 2017, we had \$2.3 million and \$2.6 million, respectively, in letters of credit outstanding.

***Insurance Notes Payable***

In 2017, we entered into three notes to finance our annual insurance premiums totaling \$5.1 million. The notes bear interest at an annual rate of 2.9% with a final maturity date in October 2018. At September 30, 2018 and December 31, 2017, the total outstanding balance was \$0.4 million and \$4.7 million, respectively.

**Note 9—Fair Value Measurements**

We follow fair value measurement authoritative accounting guidance for measuring fair values of assets and liabilities in financial statements. We have consistently used the same valuation techniques for all periods presented. Please see Note 10—Fair Value Measurements in our Annual Report for further discussion.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

A summary of financial assets and liabilities that are measured at fair value on a recurring basis, as of September 30, 2018 and December 31, 2017, were as follows (in thousands):

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>September 30, 2018</b>				
Assets:				
Investments:				
Cash surrender value of life insurance policies - deferred compensation plan	\$ —	\$ 31,306	\$ —	\$ 31,306
Marketable securities - other	54	—	—	54
Liabilities:				
Derivative financial instruments	—	45	—	45
Deferred compensation plan	—	25,970	—	25,970
<b>December 31, 2017</b>				
Assets:				
Investments:				
Cash surrender value of life insurance policies - deferred compensation plan	\$ —	\$ 30,351	\$ —	\$ 30,351
Marketable securities - other	113	—	—	113
Liabilities:				
Derivative financial instruments	—	487	—	487
Deferred compensation plan	—	26,797	—	26,797

Our derivative financial instruments consist of short-duration foreign currency forward contracts. The fair value of our derivative financial instruments is based on quoted market values including foreign exchange forward rates and interest rates. The fair value is computed by discounting the projected future cash flow amounts to present value. Derivative financial instruments are included in our condensed consolidated balance sheets in accounts payable and accrued liabilities at both September 30, 2018 and December 31, 2017.

Our investments associated with our deferred compensation plan consist primarily of the cash surrender value of life insurance policies and are included in other assets on the condensed consolidated balance sheets. Our investments change as a result of contributions, payments, and fluctuations in the market. Our liabilities associated with our deferred compensation plan are included in other non-current liabilities on the condensed consolidated balance sheets. Assets and liabilities, measured using significant observable inputs, are reported at fair value based on third-party broker statements, which are derived from the fair value of the funds' underlying investments. We also have marketable securities in publicly traded equity securities as an indirect result of strategic investments. They are reported at fair value based on the price of the stock and are included in other assets on the condensed consolidated balance sheets.

*Assets and Liabilities Measured at Fair Value on a Non-recurring Basis*

We apply the provisions of the fair value measurement standard to our non-recurring, non-financial measurements including business combinations and assets identified as held for sale, as well as impairment related to goodwill and other long-lived assets.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*Other Fair Value Considerations*

The carrying values on our condensed consolidated balance sheet of our cash and cash equivalents, short-term investments, trade accounts receivable, other current assets, accounts payable, accrued and other current liabilities and lines of credit approximate fair values due to their short maturities.

**Note 10—Derivatives**

We enter into short-duration foreign currency forward derivative contracts to reduce the risk of foreign currency fluctuations. We use these instruments to mitigate our exposure to non-local currency operating working capital. We record these contracts at fair value on our condensed consolidated balance sheets. Although the derivative contracts will serve as an economic hedge of the cash flow of our currency exchange risk exposure, they are not formally designated as hedge contracts for hedge accounting treatment. Accordingly, any changes in the fair value of the derivative instruments during a period will be included in our condensed consolidated statements of operations.

As of September 30, 2018 and December 31, 2017, we had the following foreign currency derivative contracts outstanding in U.S. dollars (in thousands):

Derivative Contracts	September 30, 2018		
	Notional Amount	Contractual Exchange Rate	Settlement Date
Canadian dollar	\$ 4,307	1.3003	12/17/2018
Euro	5,046	1.1734	12/17/2018
Norwegian krone	6,207	8.2171	12/17/2018
Pound sterling	13,136	1.3136	12/17/2018

  

Derivative Contracts	December 31, 2017		
	Notional Amount	Contractual Exchange Rate	Settlement Date
Canadian dollar	\$ 6,226	1.2850	3/15/2018
Euro	5,326	1.1836	3/15/2018
Norwegian krone	6,212	8.3704	3/15/2018
Pound sterling	6,039	1.3419	3/15/2018

The following table summarizes the location and fair value amounts of all derivative contracts in the condensed consolidated balance sheets as of September 30, 2018 and December 31, 2017 (in thousands):

Derivatives not Designated as Hedging Instruments	Consolidated Balance Sheet Location	September 30, 2018	December 31, 2017
Foreign currency contracts	Accounts payable and accrued liabilities	\$ (45)	\$ (487)

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following table summarizes the location and amounts of the realized and unrealized gains and losses on derivative contracts in the condensed consolidated statements of operations (in thousands):

Derivatives not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative Contracts	Three Months Ended September 30,		Nine Months Ended September 30,	
		2018	2017	2018	2017
Unrealized gain (loss) on foreign currency contracts	Other income (expense), net	\$ (323)	\$ 681	\$ 442	\$ (49)
Realized gain (loss) on foreign currency contracts	Other income (expense), net	447	(1,794)	572	(2,346)
Total net gain (loss) on foreign currency contracts		<u>\$ 124</u>	<u>\$ (1,113)</u>	<u>\$ 1,014</u>	<u>\$ (2,395)</u>

Our derivative transactions are governed through International Swaps and Derivatives Association master agreements. These agreements include stipulations regarding the right of offset in the event that we or our counterparty default on our performance obligations. If a default were to occur, both parties have the right to net amounts payable and receivable into a single net settlement between parties. Our accounting policy is to offset derivative assets and liabilities executed with the same counterparty when a master netting arrangement exists.

The following table presents the gross and net fair values of our derivatives at September 30, 2018 and December 31, 2017 (in thousands):

	Derivative Asset Positions		Derivative Liability Positions	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Gross position - asset / (liability)	\$ 64	\$ —	\$ (109)	\$ (487)
Netting adjustment	(64)	—	64	—
Net position - asset / (liability)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (45)</u>	<u>\$ (487)</u>

**Note 11—Related Party Transactions**

We have engaged in certain transactions with other companies related to us by common ownership. We have entered into various operating leases to lease facilities from these affiliated companies. Rent expense associated with our related party leases was \$1.1 million and \$1.8 million for the three months ended September 30, 2018 and 2017, respectively, and \$5.0 million and \$5.3 million for the nine months ended September 30, 2018 and 2017, respectively. Please see Note 16—Subsequent Events for further discussion on our related party leases.

We were a party to certain agreements relating to the rental of aircraft to Western Airways (“WA”), an entity owned by the Mosing family. The WA agreements reflected both dry lease and wet lease rentals, whereby we were charged a flat monthly fee primarily for crew, hangar, maintenance and administration costs in addition to other variable costs for fuel and maintenance. We also earned charter income from third party usage through a revenue sharing agreement. We recorded \$0.4 million and \$1.0 million of net charter expense for the three and nine months ended September 30, 2017, respectively. In March 2017, we sold a fully depreciated aircraft for a total sales price of \$1.3 million and recorded a gain on sale of \$1.3 million. In August 2017, we sold an additional aircraft for a net sales price of \$4.9 million and recorded an immaterial loss. The rental agreements were terminated with WA effective December 29, 2017, upon the sale of our last aircraft.

*Tax Receivable Agreement*

Mosing Holdings and its permitted transferees converted all their Preferred Stock into shares of our common stock on a one-for-one basis on August 26, 2016, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications and other similar transactions, by delivery of an equivalent portion of their interests in

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

FICV to us (the "Conversion"). FICV made an election under Section 754 of the Internal Revenue Code. Pursuant to the Section 754 election, the Conversion resulted in an adjustment to the tax basis of the tangible and intangible assets of FICV with respect to the portion of FICV now held by FINV. These adjustments will be allocated to FINV. The adjustments to the tax basis of the tangible and intangible assets of FICV described above would not have been available absent this Conversion. These basis adjustments may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

The TRA that we entered into with FICV and Mosing Holdings in connection with our initial public offering ("IPO") generally provides for the payment by FINV of 85% of the amount of the actual reductions, if any, in payments of U.S. federal, state and local income tax or franchise tax (which reductions we refer to as "cash savings") in periods after our IPO as a result of (i) the tax basis increases resulting from the Conversion and (ii) imputed interest deemed to be paid by us as a result of, and additional tax basis arising from, payments under the TRA. In addition, the TRA provides for payment by us of interest earned from the due date (without extensions) of the corresponding tax return to the date of payment specified by the TRA. The payments under the TRA will not be conditioned upon a holder of rights under the TRA having a continued ownership interest in either FICV or FINV. We will retain the remaining 15% of cash savings, if any.

The estimation of the liability under the TRA is by its nature imprecise and subject to significant assumptions regarding the amount and timing of future taxable income. As of September 30, 2018, FINV has a cumulative loss over the prior 36-month period. Based on this history of losses, as well as uncertainty regarding the timing and amount of future taxable income, we are unable to conclude that there will be future cash savings that will lead to additional payouts under the TRA beyond the estimated \$7.4 million as of September 30, 2018. Additional TRA liability may be recognized in the future based on changes in expectations regarding the timing and likelihood of future cash savings.

The payment obligations under the TRA are our obligations and are not obligations of FICV. The term of the TRA will continue until all such tax benefits have been utilized or expired, unless FINV elects to exercise its sole right to terminate the TRA early. If FINV elects to terminate the TRA early, which it may do so in its sole discretion, it would be required to make an immediate payment equal to the present value of the anticipated future tax benefits subject to the TRA (based upon certain assumptions and deemed events set forth in the TRA, including the assumption that it has sufficient taxable income to fully utilize such benefits and that any FICV interests that Mosing Holdings or its transferees own on the termination date are deemed to be exchanged on the termination date). Any early termination payment may be made significantly in advance of the actual realization, if any, of such future benefits. In addition, payments due under the TRA will be similarly accelerated following certain mergers or other changes of control. In these situations, FINV's obligations under the TRA could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. For example, if the TRA were terminated on September 30, 2018, the estimated termination payment would be approximately \$55.7 million (calculated using a discount rate of 6.13%). The foregoing number is merely an estimate and the actual payment could differ materially.

Because FINV is a holding company with no operations of its own, its ability to make payments under the TRA is dependent on the ability of FICV to make distributions to it in an amount sufficient to cover FINV's obligations under such agreements; this ability, in turn, may depend on the ability of FICV's subsidiaries to provide payments to it. The ability of FICV and its subsidiaries to make such distributions will be subject to, among other things, the applicable provisions of Dutch law that may limit the amount of funds available for distribution and restrictions in our debt instruments. To the extent that FINV is unable to make payments under the TRA for any reason, except in the case of an acceleration of payments thereunder occurring in connection with an early termination of the TRA or certain mergers or change of control, such payments will be deferred and will accrue interest until paid, and FINV will be prohibited from paying dividends on its common stock.

**Note 12—Income (Loss) Per Common Share**

Basic income (loss) per common share is determined by *dividing* net income (loss) by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is determined by *dividing* net income

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(loss) by the weighted average number of common shares outstanding, assuming all potentially dilutive shares were issued. We apply the treasury stock method to determine the dilutive weighted average common shares represented by the unvested restricted stock units and ESPP shares.

The following table summarizes the basic and diluted income (loss) per share calculations (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>Numerator</b>				
Net income (loss)	\$ (6,999)	\$ 2,296	\$ (74,835)	\$ (50,317)
<b>Denominator</b>				
Basic weighted average common shares	224,182	223,056	223,912	222,847
Restricted stock units <sup>(1)</sup>	—	525	—	—
Diluted weighted average common shares <sup>(1)</sup>	224,182	223,581	223,912	222,847
<b>Income (loss) per common share:</b>				
Basic	\$ (0.03)	\$ 0.01	\$ (0.33)	\$ (0.23)
Diluted	\$ (0.03)	\$ 0.01	\$ (0.33)	\$ (0.23)

<sup>(1)</sup> Approximate number of unvested restricted stock units and stock to be issued pursuant to the ESPP that have been excluded from the computation of diluted income (loss) per share as the effect would be anti-dilutive when results from operations are at a net loss position.

	1,075	—	779	624
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**Note 13—Income Taxes**

For interim financial reporting, we estimate the annual tax rate based on projected pre-tax income (loss) for the full year and record a quarterly income tax provision (benefit) in accordance with accounting guidance for income taxes. As the year progresses, we refine the estimate of the year's pre-tax income (loss) as new information becomes available. The continual estimation process often results in a change to the expected effective tax rate for the year. When this occurs, we adjust the income tax provision (benefit) during the quarter in which the change in estimate occurs so that the year-to-date provision reflects the most current expected annual tax rate.

Our effective tax rate was 51.6% and 97.4% for the three months ended September 30, 2018 and 2017, respectively, and 2.5% and 327.7% for the nine months ended September 30, 2018 and 2017, respectively. The decrease in tax rates as compared to the same periods last year is primarily due to recording valuation allowances against deferred tax assets related to the U.S. and certain foreign jurisdictions. In both periods we recorded valuation allowances against the net deferred tax assets accrued in that period. However, for the three months ended September 30, 2017 we also recorded valuation allowances against the net deferred tax assets that had been accrued for all periods prior to 2017. The recording of valuation allowances against the accumulated pre-2017 balances resulted in significantly higher tax expense in 2017.

In determining that a valuation allowance must be recorded in the current period, we assessed the available positive and negative evidence and concluded that it is not more likely than not that sufficient future taxable income would be generated to permit the use of our deferred tax assets. This conclusion is primarily the result of cumulative losses incurred in the most recent three-year period, and uncertainty regarding when we will return to profitability. The amount of deferred tax asset considered realizable and the related need for a valuation allowance may be adjusted in future periods as the available evidence changes.

We are under audit by the U.S. and certain foreign jurisdictions for the years 2014 - 2016. We do not expect the results of these audits to have any material effect on our financial statements.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As of September 30, 2018, there were no significant changes to our unrecognized tax benefits as reported in our audited financial statements for the year ended December 31, 2017.

**Note 14—Commitments and Contingencies**

We are the subject of lawsuits and claims arising in the ordinary course of business from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. We had no material accruals for loss contingencies, individually or in the aggregate, as of September 30, 2018 and December 31, 2017. We believe the probability is remote that the ultimate outcome of these matters would have a material adverse effect on our financial position, results of operations or cash flows.

We are conducting an internal investigation of the operations of certain of our foreign subsidiaries in West Africa including possible violations of the U.S. Foreign Corrupt Practices Act ("FCPA"), our policies and other applicable laws. In June 2016, we voluntarily disclosed the existence of our extensive internal review to the SEC, the U.S. Department of Justice ("DOJ") and other governmental entities. It is our intent to continue to fully cooperate with these agencies and any other applicable authorities in connection with any further investigation that may be conducted in connection with this matter. While our review has not indicated that there has been any material impact on our previously filed financial statements, we have continued to collect information and cooperate with the authorities, but at this time are unable to predict the ultimate resolution of these matters with these agencies.

In addition, during the course of the investigation, we discovered historical business transactions (and bids to enter into business transactions) in certain countries that may have been subject to U.S. and other international sanctions. We disclosed this information to the U.S. Department of Commerce's Bureau of Industry and Security, Office of Export Enforcement ("OEE") and to the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") (as well as to the agencies involved in our ongoing investigation discussed above). We received a No Action Letter dated April 20, 2018 from OEE, stating that OEE had closed its investigation without taking further action. In addition, we received a No Action Letter dated April 23, 2018 from OFAC, stating that OFAC had closed its investigation without taking further action.

As disclosed above, our investigation into possible violations of the FCPA remains ongoing, and we will continue to cooperate with the SEC, DOJ and other relevant governmental entities in connection therewith. At this time, we are unable to predict the ultimate resolution of these matters with these agencies, including any financial impact to us. Our board and management are committed to continuously enhancing our internal controls that support improved compliance and transparency throughout our global operations.

**Note 15—Segment Information**

*Reporting Segments*

Operating segments are defined as components of an enterprise for which separate financial information is available that is regularly evaluated by the Company's CODM in deciding how to allocate resources and assess performance. We are comprised of four reportable segments: International Services, U.S. Services, Tubular Sales and Blackhawk.

The International Services segment provides tubular services in international offshore markets and in several onshore international regions. Our customers in these international markets are primarily large exploration and production companies, including integrated oil and gas companies and national oil and gas companies, and other oilfield services companies.

The U.S. Services segment provides tubular services in the active onshore oil and gas drilling regions in the U.S., including the Permian Basin, Eagle Ford Shale, Haynesville Shale, Marcellus/Utica Shale, Niobrara Shale, Woodford Shale, Green River Basin and Uintah Basin, as well as in the U.S. Gulf of Mexico.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The Tubular Sales segment designs, manufactures and distributes large outside diameter (“OD”) pipe, connectors and casing attachments and sells large OD pipe originally manufactured by various pipe mills. We also provide specialized fabrication and welding services in support of offshore projects, including drilling and production risers, flowlines and pipeline end terminations, as well as long length tubulars (up to 300 feet in length) for use as caissons or pilings. This segment also designs and manufactures proprietary equipment for use in our International and U.S. Services segments.

The Blackhawk segment provides well construction and well intervention services and products, in addition to cementing tool expertise, in the U.S. and Mexican Gulf of Mexico, onshore U.S. and other select international locations. Blackhawk’s customer base consists primarily of major and independent oil and gas companies as well as other oilfield services companies.

*Revenues*

We disaggregate our revenue from contracts with customers by geography for each of our segments, as we believe this best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. The following tables presents our revenues disaggregated by geography based on the location where our services were provided and products sold (in thousands):

<b>Three Months Ended September 30, 2018</b>					
	<b>International Services</b>	<b>U.S. Services</b>	<b>Tubular Sales</b>	<b>Blackhawk</b>	<b>Consolidated</b>
United States	\$ —	\$ 38,292	\$ 12,835	\$ 19,096	\$ 70,223
International	53,891	—	36	4,836	58,763
<b>Total Revenues</b>	<b>\$ 53,891</b>	<b>\$ 38,292</b>	<b>\$ 12,871</b>	<b>\$ 23,932</b>	<b>\$ 128,986</b>

<b>Three Months Ended September 30, 2017</b>					
	<b>International Services</b>	<b>U.S. Services</b>	<b>Tubular Sales</b>	<b>Blackhawk</b>	<b>Consolidated</b>
United States	\$ —	\$ 29,065	\$ 7,209	\$ 17,432	\$ 53,706
International	53,742	—	492	143	54,377
<b>Total Revenues</b>	<b>\$ 53,742</b>	<b>\$ 29,065</b>	<b>\$ 7,701</b>	<b>\$ 17,575</b>	<b>\$ 108,083</b>

<b>Nine Months Ended September 30, 2018</b>					
	<b>International Services</b>	<b>U.S. Services</b>	<b>Tubular Sales</b>	<b>Blackhawk</b>	<b>Consolidated</b>
United States	\$ —	\$ 106,035	\$ 41,939	\$ 54,568	\$ 202,542
International	161,985	—	213	11,900	174,098
<b>Total Revenues</b>	<b>\$ 161,985</b>	<b>\$ 106,035</b>	<b>\$ 42,152</b>	<b>\$ 66,468</b>	<b>\$ 376,640</b>

<b>Nine Months Ended September 30, 2017</b>					
	<b>International Services</b>	<b>U.S. Services</b>	<b>Tubular Sales</b>	<b>Blackhawk</b>	<b>Consolidated</b>
United States	\$ —	\$ 89,936	\$ 39,543	\$ 51,374	\$ 180,853
International	153,851	—	1,244	525	155,620
<b>Total Revenues</b>	<b>\$ 153,851</b>	<b>\$ 89,936</b>	<b>\$ 40,787</b>	<b>\$ 51,899</b>	<b>\$ 336,473</b>

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Revenue by geographic area was as follows (in thousands):

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
United States	\$ 70,223	\$ 53,706	\$ 202,542	\$ 180,853
Europe/Middle East/Africa	31,972	37,381	96,665	102,586
Latin America	11,984	6,897	32,441	25,957
Asia Pacific	7,026	5,302	20,689	14,791
Other countries	7,781	4,797	24,303	12,286
Total Revenues	<u>\$ 128,986</u>	<u>\$ 108,083</u>	<u>\$ 376,640</u>	<u>\$ 336,473</u>

*Adjusted EBITDA*

We define Adjusted EBITDA as net income (loss) before interest income, net, depreciation and amortization, income tax benefit or expense, asset impairments, gain or loss on disposal of assets, foreign currency gain or loss, equity-based compensation, unrealized and realized gain or loss, the effects of the TRA, other non-cash adjustments and other charges. We review Adjusted EBITDA on both a consolidated basis and on a segment basis. We use Adjusted EBITDA to assess our financial performance because it allows us to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization), income tax, foreign currency exchange rates and other charges and credits. Adjusted EBITDA has limitations as an analytical tool and should not be considered as an alternative to net income (loss), operating income (loss), cash flow from operating activities or any other measure of financial performance presented in accordance with GAAP.

Our CODM uses Adjusted EBITDA as the primary measure of segment reporting performance.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following table presents a reconciliation of Segment Adjusted EBITDA to net income (loss) (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>Segment Adjusted EBITDA:</b>				
International Services	\$ 7,848	\$ 11,151	\$ 23,894	\$ 25,459
U.S. Services <sup>(1)</sup>	(846)	(11,322)	(16,526)	(27,775)
Tubular Sales	286	(1,333)	2,644	1,736
Blackhawk	4,328	3,477	10,398	7,653
	<u>11,616</u>	<u>1,973</u>	<u>20,410</u>	<u>7,073</u>
Interest income, net	866	1,019	2,419	2,170
Depreciation and amortization	(26,998)	(30,650)	(84,160)	(92,700)
Income tax (expense) benefit	7,461	(87,613)	1,901	(72,419)
Gain on disposal of assets	2,242	829	1,790	2,091
Foreign currency gain (loss)	(879)	1,839	(3,442)	3,184
TRA related adjustments	(1,170)	122,515	(5,282)	122,515
Charges and credits <sup>(2)</sup>	(137)	(7,616)	(8,471)	(22,231)
<b>Net income (loss)</b>	<u>\$ (6,999)</u>	<u>\$ 2,296</u>	<u>\$ (74,835)</u>	<u>\$ (50,317)</u>

<sup>(1)</sup> Includes all corporate general and administrative expenses.

<sup>(2)</sup> Comprised of Equity-based compensation expense (for the three months ended September 30, 2018 and 2017: \$3,008 and \$2,342, respectively, and for the nine months ended September 30, 2018 and 2017: \$8,176 and \$11,458, respectively), Mergers and acquisition expense (for the three months ended September 30, 2018 and 2017: none and none, respectively, and for the nine months ended September 30, 2018 and 2017: \$58 and \$459, respectively), Severance and other (charges) credits, net (for the three months ended September 30, 2018 and 2017: \$4,852 and \$(1,648), respectively, and for the nine months ended September 30, 2018 and 2017: \$2,483 and \$(2,386), respectively), Unrealized and realized gains (losses) (for the three months ended September 30, 2018 and 2017: \$360 and \$(1,123), respectively, and for the nine months ended September 30, 2018 and 2017: \$1,521 and \$(2,819), respectively) and Investigation-related matters (for the three months ended September 30, 2018 and 2017: \$2,341 and \$2,503, respectively, and for the nine months ended September 30, 2018 and 2017: \$4,241 and \$5,109, respectively).

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following tables set forth certain financial information with respect to our reportable segments (in thousands):

	<b>International Services</b>	<b>U.S. Services</b>	<b>Tubular Sales</b>	<b>Blackhawk</b>	<b>Eliminations</b>	<b>Total</b>
<b>Three Months Ended September 30, 2018</b>						
Revenue from external customers	\$ 53,891	\$ 38,292	\$ 12,871	\$ 23,932	\$ —	\$ 128,986
Inter-segment revenue	(44)	4,694	92	2,036	(6,778)	—
Operating income (loss)	1,423	(14,482)	(493)	(39)	—	(13,591)
Adjusted EBITDA	7,848	(846)	286	4,328	—	*
<b>Three Months Ended September 30, 2017</b>						
Revenue from external customers	\$ 53,742	\$ 29,065	\$ 7,701	\$ 17,575	\$ —	\$ 108,083
Inter-segment revenue	3	4,062	3,111	33	(7,209)	—
Operating loss	(2,647)	(25,453)	(3,967)	(3,013)	—	(35,080)
Adjusted EBITDA	11,151	(11,322)	(1,333)	3,477	—	*
<b>Nine Months Ended September 30, 2018</b>						
Revenue from external customers	\$ 161,985	\$ 106,035	\$ 42,152	\$ 66,468	\$ —	\$ 376,640
Inter-segment revenue	(123)	13,549	285	2,590	(16,301)	—
Operating loss	(12,350)	(56,382)	(57)	(3,491)	—	(72,280)
Adjusted EBITDA	23,894	(16,526)	2,644	10,398	—	*
<b>Nine Months Ended September 30, 2017</b>						
Revenue from external customers	\$ 153,851	\$ 89,936	\$ 40,787	\$ 51,899	\$ —	\$ 336,473
Inter-segment revenue	18	12,890	10,350	105	(23,363)	—
Operating loss	(19,140)	(73,092)	(782)	(12,642)	—	(105,656)
Adjusted EBITDA	25,459	(27,775)	1,736	7,653	—	*

\* Non-GAAP financial measure not disclosed.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 16—Subsequent Events**

*New Asset Based Revolving Credit Facility*

On November 5, 2018, FICV, Frank's International, LLC and Blackhawk, as borrowers, and FINV, certain of FINV's subsidiaries, including FICV, Frank's International, LLC, Blackhawk, Frank's International GP, LLC, Frank's International, LP, Frank's International LP B.V., Frank's International Partners B.V., Frank's International Management B.V., Blackhawk Intermediate Holdings, LLC, Blackhawk Specialty Tools, LLC, and Trinity Tool Rentals, L.L.C., as guarantors, entered into a five-year senior secured revolving credit facility (the "New ABL Credit Facility") with JPMorgan Chase Bank, N.A., as administrative agent (the "ABL Agent"), and other financial institutions as lenders with total commitments of \$100.0 million including up to \$15.0 million available for letters of credit. Subject to the terms of the New ABL Credit Facility, we have the ability to increase the commitments to \$200.0 million. The maximum amount that the Company may borrow under the New ABL Credit Facility is subject to a borrowing base, which is based on a percentage of certain eligible accounts receivable and eligible inventory, subject to customary reserves and other adjustments.

All obligations under the New ABL Credit Facility are fully and unconditionally guaranteed jointly and severally by FINV's subsidiaries, including FICV, Frank's International, LLC, Blackhawk, Frank's International GP, LLC, Frank's International, LP, Frank's International LP B.V., Frank's International Partners B.V., Frank's International Management B.V., Blackhawk Intermediate Holdings, LLC, Blackhawk Specialty Tools, LLC, and Trinity Tool Rentals, L.L.C., subject to customary exceptions and exclusions. In addition, the obligations under the New ABL Credit Facility are secured by first priority liens on substantially all of the assets and property of the borrowers and guarantors, including pledges of equity interests in certain of FINV's subsidiaries, subject to certain exceptions. Borrowings under the New ABL Credit Facility bear interest at FINV's option at either (a) the Alternate Base Rate ("ABR") (as defined therein), calculated as the greatest of (i) the rate of interest publicly quoted by the Wall Street Journal, as the "prime rate," subject to each increase or decrease in such prime rate effective as of the date such change occurs, (ii) the federal funds effective rate that is subject to a 0.00% interest rate floor plus 0.50%, and (iii) the one-month Adjusted LIBO Rate (as defined therein) plus 1.00%, or (b) the Adjusted LIBO Rate (as defined therein), plus, in each case, an applicable margin. The applicable interest rate margin ranges from 1.00% to 1.50% per annum for ABR loans and 2.00% to 2.50% per annum for Eurodollar loans and, in each case, is based on FINV's leverage ratio. The unused portion of the New ABL Credit Facility is subject to a commitment fee that varies from 0.250% to 0.375% per annum, according to average daily unused commitments under the New ABL Credit Facility. Interest on Eurodollar loans is payable at the end of the selected interest period, but no less frequently than quarterly. Interest on ABR loans is payable monthly in arrears.

The New ABL Credit Facility contains various covenants and restrictive provisions which limit, subject to certain customary exceptions and thresholds, FINV's ability to, among other things, (1) enter into asset sales; (2) incur additional indebtedness; (3) make investments, acquisitions, or loans and create or incur liens; (4) pay certain dividends or make other distributions and (5) engage in transactions with affiliates. The New ABL Credit Facility also requires FINV to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0 based on the ratio of (a) consolidated EBITDA (as defined therein) minus unfinanced capital expenditures to (b) Fixed Charges (as defined therein), when either (i) an event of default occurs under the New ABL Facility or (ii) availability under the New ABL Credit Facility falls for at least two consecutive calendar days below the greater of (A) \$12.5 million and (B) 15% of the lesser of the borrowing base and aggregate commitments (a "FCCR Trigger Event"). Accounts receivable received by FINV's U.S. subsidiaries that are parties to the New ABL Credit Facility will be deposited into deposit accounts subject to deposit control agreements in favor of the ABL Agent. After a FCCR Trigger Event, these deposit accounts would be subject to "springing" cash dominion. After a FCCR Trigger Event, the Company will be subject to compliance with the fixed charge coverage ratio and "springing" cash dominion until no default exists under the New ABL Credit Facility and availability under the facility for the preceding thirty consecutive days has been equal to at least the greater of (x) \$12.5 million and (y) 15% of the lesser of the borrowing base and the aggregate commitments. If FINV fails to perform its obligations under the agreement that results in an event of default, the commitments under the New ABL Credit Facility could be terminated and any outstanding borrowings under the New ABL Credit Facility may be declared immediately due and payable. The New ABL Credit Facility also contains cross default provisions that apply to FINV's other indebtedness.

**FRANK'S INTERNATIONAL N.V.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As of November 6, 2018, FINV had no borrowings outstanding under the New ABL Credit Facility, no letters of credit outstanding under the New ABL Credit Facility and availability of \$44.7 million.

*Related Party Leases*

On November 2, 2018, Frank's International, LLC entered into a purchase agreement with Mosing Ventures, LLC, Mosing Land & Cattle Company, LLC, Mosing Queens Row Properties, LLC, and 4-M Investments, each of which are companies related to us by common ownership (the "Mosing Companies"). Under the purchase agreement we will acquire real property that we currently lease from the Mosing Companies, and two additional properties located adjacent to those properties. The total purchase price is \$36.0 million. Following the execution date, we will have 30 days to identify title defects, and if title defects we identify are not cured, we may terminate the agreement. The properties will be conveyed as-is, except that until 10 years following the Closing Date, the parties will continue to have certain rights and obligations under the terms of the agreements by which some of the purchased properties were acquired by the Mosing Companies at the time of our initial public offering. We expect the purchase to close by the end of 2018.

We have made improvements on the purchased properties during the lease period, and the purchase price was calculated excluding the value of those improvements. Once the purchase closes, we will no longer lease the acquired properties from the Mosing Companies. See Note 11—Related Party Transactions.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Form 10-Q”) includes certain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include those that express a belief, expectation or intention, as well as those that are not statements of historical fact. Forward-looking statements include information regarding our future plans and goals and our current expectations with respect to, among other things:

- our business strategy and prospects for growth;
- our cash flows and liquidity;
- our financial strategy, budget, projections and operating results;
- the amount, nature and timing of capital expenditures;
- the availability and terms of capital;
- competition and government regulations; and
- general economic conditions.

Our forward-looking statements are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “plan,” “goal” or other terms that convey the uncertainty of future events or outcomes, although not all forward-looking statements contain such identifying words. The forward-looking statements in this Form 10-Q speak only as of the date of this report; we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. Forward-looking statements are not assurances of future performance and involve risks and uncertainties. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks, contingencies and uncertainties include, but are not limited to, the following:

- the level of activity in the oil and gas industry;
- renewed or sustained declines in oil and gas prices, including those resulting from weak global demand;
- the timing, magnitude, probability and/or sustainability of any oil and gas price recovery;
- unique risks associated with our offshore operations;
- political, economic and regulatory uncertainties in our domestic and international operations;
- our ability to develop new technologies and products;
- our ability to protect our intellectual property rights;
- our ability to employ and retain skilled and qualified workers;
- the level of competition in our industry;
- operational safety laws and regulations; and
- weather conditions and natural disasters.

These and other important factors that could affect our operating results and performance are described in (1) “Risk Factors” in Part II, Item IA of this Form 10-Q, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part I, Item 2 of this Form 10-Q, and elsewhere within this Form 10-Q, (2) our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 27, 2018 (our “Annual Report”), (3) our other reports and filings we make with the SEC from time to time and (4) other announcements we make from time to time. Should one or more of the risks or uncertainties described in the documents above or in this Form 10-Q occur, or should underlying assumptions prove incorrect, our actual results, performance, achievements or plans could differ materially from those expressed or implied in any forward-looking statements. All such forward-looking statements in this Form 10-Q are expressly qualified in their entirety by the cautionary statements in this section.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Form 10-Q and the audited consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in any forward-looking statement because of various factors, including those described in the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" of this Form 10-Q.

### Overview of Business

We are a global provider of highly engineered tubular services, tubular fabrication and specialty well construction and well intervention solutions to the oil and gas industry and have been in business for over 75 years. We provide our services and products to leading exploration and production companies in both offshore and onshore environments, with a focus on complex and technically demanding wells.

We conduct our business through four operating segments:

- *International Services.* The International Services segment currently provides tubular services in approximately 50 countries on six continents. Our customers in these international markets are primarily large exploration and production companies, including integrated oil and gas companies and national oil and gas companies, and other oilfield services companies.
- *U.S. Services.* The U.S. Services segment services customers in the offshore areas of the U.S. Gulf of Mexico. In addition, we have a presence in the active onshore oil and gas drilling regions in the U.S., including the Permian Basin, Eagle Ford Shale, Haynesville Shale, Marcellus/Utica Shale, Niobrara Shale, Woodford Shale, Green River Basin and Uintah Basin.
- *Tubular Sales.* The Tubular Sales segment designs, manufactures and distributes large OD pipe, connectors and casing attachments and sells large OD pipe originally manufactured by various pipe mills. We also provide specialized fabrication and welding services in support of offshore projects, including drilling and production risers, flowlines and pipeline end terminations, as well as long-length tubulars (up to 300 feet in length) for use as caissons or pilings. This segment also designs and manufactures proprietary equipment for use in our International and U.S. Services segments.
- *Blackhawk.* The Blackhawk segment provides well construction and well intervention services and products, in addition to cementing tool expertise, in the U.S. and Mexican Gulf of Mexico, onshore U.S. and other select international locations. Blackhawk's customer base consists primarily of major and independent oil and gas companies as well as other oilfield services companies.

### Market Outlook

We expect to see a continued increase in customer demand for our products and services over the remainder of 2018 based on current commodity price levels and anticipated capital spending on oil and natural gas exploration and production activities. However, much of the anticipated capital spending is likely to be associated with onshore or shallow water offshore projects that contribute lower revenue and margins to the Company than deep water offshore projects. The deep and ultra-deep offshore markets are showing signs of improvement, but are not projected to see significant increases in activity or pricing over the near term. In response, we are expanding our products and services historically weighted to the U.S. market, including specialty cementing equipment and drilling tool technologies, to select international markets, lowering costs through operational efficiency gains and prioritizing customers and projects intended to improve market share and profitability.

## **How We Evaluate Our Operations**

We use a number of financial and operational measures to routinely analyze and evaluate the performance of our business, including revenue, Adjusted EBITDA, Adjusted EBITDA margin and safety performance.

### ***Revenue***

We analyze our revenue growth by comparing actual monthly revenue to our internal projections for each month to assess our performance. We also assess incremental changes in our monthly revenue across our operating segments to identify potential areas for improvement.

### ***Adjusted EBITDA and Adjusted EBITDA Margin***

We define Adjusted EBITDA as net income (loss) before interest income, net, depreciation and amortization, income tax benefit or expense, asset impairments, gain or loss on disposal of assets, foreign currency gain or loss, equity-based compensation, unrealized and realized gains or losses, the effects of the tax receivable agreement (“TRA”), other non-cash adjustments and other charges or credits. Adjusted EBITDA margin reflects our Adjusted EBITDA as a percentage of our revenues. We review Adjusted EBITDA and Adjusted EBITDA margin on both a consolidated basis and on a segment basis. We use Adjusted EBITDA and Adjusted EBITDA margin to assess our financial performance because it allows us to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization), items outside the control of our management team (such as income tax and foreign currency exchange rates) and other charges outside the normal course of business. Adjusted EBITDA and Adjusted EBITDA margin have limitations as analytical tools and should not be considered as an alternative to net income (loss), operating income (loss), cash flow from operating activities or any other measure of financial performance presented in accordance with generally accepted accounting principles in the U.S. (“GAAP”).

The following table presents a reconciliation of Adjusted EBITDA and Adjusted EBITDA margin to net income (loss) for each of the periods presented (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net income (loss)	\$ (6,999)	\$ 2,296	\$ (74,835)	\$ (50,317)
Interest income, net	(866)	(1,019)	(2,419)	(2,170)
Depreciation and amortization	26,998	30,650	84,160	92,700
Income tax expense (benefit)	(7,461)	87,613	(1,901)	72,419
Gain on disposal of assets	(2,242)	(829)	(1,790)	(2,091)
Foreign currency (gain) loss	879	(1,839)	3,442	(3,184)
TRA related adjustments	1,170	(122,515)	5,282	(122,515)
Charges and credits <sup>(1)</sup>	137	7,616	8,471	22,231
Adjusted EBITDA	\$ 11,616	\$ 1,973	\$ 20,410	\$ 7,073
Adjusted EBITDA margin	9.0%	1.8%	5.4%	2.1%

<sup>(1)</sup> Comprised of Equity-based compensation expense (for the three months ended September 30, 2018 and 2017: \$3,008 and \$2,342, respectively, and for the nine months ended September 30, 2018 and 2017: \$8,176 and \$11,458, respectively), Mergers and acquisition expense (for the three months ended September 30, 2018 and 2017: none and none, respectively, and for the nine months ended September 30, 2018 and 2017: \$58 and \$459, respectively), Severance and other charges (credits), net (for the three months ended September 30, 2018 and 2017: \$(4,852) and \$1,648, respectively, and for the nine months ended September 30, 2018 and 2017: \$(2,483) and \$2,386, respectively), Unrealized and realized (gains) losses (for the three months ended September 30, 2018 and 2017: \$(360) and \$1,123, respectively, and for the nine months ended September 30, 2018 and 2017: \$(1,521) and \$2,819, respectively) and Investigation-related matters (for the three months ended September 30, 2018 and 2017: \$2,341 and \$2,503, respectively, and for the nine months ended September 30, 2018 and 2017: \$4,241 and \$5,109, respectively).

For a reconciliation of our Adjusted EBITDA on a segment basis to the most comparable measure calculated in accordance with GAAP, see “Operating Segment Results.”

#### ***Safety and Quality Performance***

Safety is one of our primary core values. Maintaining a strong safety record is a critical component of our operational success. Many of our customers have safety standards we must satisfy before we can perform services. As a result, we continually monitor and improve our safety performance through the evaluation of safety observations, job and customer surveys, and safety data. The primary measure for our safety performance is the tracking of the Total Recordable Incident Rate which is reviewed on both a monthly and rolling twelve-month basis.

## Consolidated Results of Operations

The following table presents our consolidated results for the periods presented (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>(Unaudited)</b>				
<b>Revenues:</b>				
Services	\$ 103,911	\$ 92,547	\$ 301,005	\$ 272,402
Products	25,075	15,536	75,635	64,071
Total revenue	128,986	108,083	376,640	336,473
<b>Operating expenses:</b>				
Cost of revenues, exclusive of depreciation and amortization				
Services <sup>(1)</sup>	65,726	55,501	193,951	162,501
Products <sup>(1)</sup>	19,421	16,230	58,474	61,526
General and administrative expenses	37,526	39,963	116,608	125,107
Depreciation and amortization	26,998	30,650	84,160	92,700
Severance and other charges (credits), net	(4,852)	1,648	(2,483)	2,386
Gain on disposal of assets	(2,242)	(829)	(1,790)	(2,091)
Operating loss	(13,591)	(35,080)	(72,280)	(105,656)
<b>Other income (expense):</b>				
TRA related adjustments	(1,170)	122,515	(5,282)	122,515
Other income, net	314	(384)	1,907	348
Interest income, net	866	1,019	2,419	2,170
Mergers and acquisition expense	—	—	(58)	(459)
Foreign currency gain (loss)	(879)	1,839	(3,442)	3,184
Total other income (expense)	(869)	124,989	(4,456)	127,758
Income (loss) before income taxes	(14,460)	89,909	(76,736)	22,102
Income tax expense (benefit)	(7,461)	87,613	(1,901)	72,419
<b>Net income (loss)</b>	<b>\$ (6,999)</b>	<b>\$ 2,296</b>	<b>\$ (74,835)</b>	<b>\$ (50,317)</b>

<sup>(1)</sup> Our financial statements for the three and nine months ended September 30, 2017 have been revised to decrease cost of revenues, services and increase cost of revenues, products by \$5,480 and \$16,364, respectively. See Note 1—Basis of Presentation in the Notes to Unaudited Condensed Consolidated Financial Statements.

### *Three Months Ended September 30, 2018 Compared to Three Months Ended September 30, 2017*

*Revenues.* Revenues from external customers, excluding intersegment sales, for the three months ended September 30, 2018 increased by \$20.9 million, or 19.3%, to \$129.0 million from \$108.1 million for the three months ended September 30, 2017. The revenue increase was primarily attributable to our U.S. Services, Tubular Sales and Blackhawk segments. Revenues for our segments are discussed separately below under the heading “Operating Segment Results.”

*Cost of revenues, exclusive of depreciation and amortization.* Cost of revenues for the three months ended September 30, 2018 increased by \$13.4 million, or 18.7%, to \$85.1 million from \$71.7 million for the three months ended September 30, 2017 driven by higher activity levels and mix of work in the U.S. Services and Blackhawk segments, partially offset by productivity actions taken in 2017 and 2018.

*General and administrative expenses.* General and administrative expenses for the three months ended September 30, 2018 decreased by \$2.4 million, or 6.1%, to \$37.5 million from \$40.0 million for the three months ended September 30, 2017 primarily due to lower professional fees.

*Depreciation and amortization.* Depreciation and amortization for the three months ended September 30, 2018 decreased by \$3.7 million, or 11.9%, to \$27.0 million from \$30.7 million for the three months ended September 30, 2017, as a result of a lower depreciable base due to decreased capital expenditures during the current and prior years.

*Severance and other charges (credits), net.* Severance and other charges (credits), net improved from an expense of \$1.6 million for the three months ended September 30, 2017 to a gain of \$4.9 million for the three months ended September 30, 2018. Severance and other charges (credits), net for the three months ended September 30, 2018 was favorably impacted by the recovery of accounts receivable previously written off in Angola.

*Gain on disposal of assets.* Gain on disposal of assets for the three months ended September 30, 2018 increased by \$1.4 million to \$2.2 million from \$0.8 million for the three months ended September 30, 2017. During the three months ended September 30, 2018 and 2017, we sold buildings and recognized a gain of \$2.4 million and \$0.6 million, respectively.

*Foreign currency gain (loss).* Foreign currency loss for the three months ended September 30, 2018 increased by \$2.7 million to \$0.9 million from a foreign currency gain of \$1.8 million for the three months ended September 30, 2017. The change in foreign currency results year-over-year was primarily driven by the strengthening of the U.S. dollar against other currencies.

*Income tax expense (benefit).* Income tax benefit for the three months ended September 30, 2018 increased by \$95.1 million, or 108.5%, to \$7.5 million from an income tax expense of \$87.6 million for the three months ended September 30, 2017. The change is primarily due to recording valuation allowances. In both periods we recorded valuation allowances against the net deferred tax assets accrued in that period. However, for the three months ended September 30, 2017 we also recorded valuation allowances against the net deferred tax assets that had been accrued for all periods prior to 2017. The recording of valuation allowances against the accumulated pre-2017 balances resulted in significantly higher tax expense in 2017.

#### ***Nine Months Ended September 30, 2018 Compared to Nine Months Ended September 30, 2017***

*Revenues.* Revenues from external customers, excluding intersegment sales, for the nine months ended September 30, 2018 increased by \$40.2 million, or 11.9%, to \$376.6 million from \$336.5 million for the nine months ended September 30, 2017. Revenues increased across all segments. Revenues for our segments are discussed separately below under the heading "Operating Segment Results."

*Cost of revenues, exclusive of depreciation and amortization.* Cost of revenues for the nine months ended September 30, 2018 increased by \$28.4 million, or 12.7%, to \$252.4 million from \$224.0 million for the nine months ended September 30, 2017. The increase was driven by higher activity levels and mix of work in the U.S. Services and Blackhawk segments, partially offset by productivity actions taken in 2017 and 2018.

*General and administrative expenses.* General and administrative expenses for the nine months ended September 30, 2018 decreased by \$8.5 million, or 6.8%, to \$116.6 million from \$125.1 million for the nine months ended September 30, 2017, primarily due to lower professional fees, as well as reduced expenses associated with aircraft sold in 2017.

*Depreciation and amortization.* Depreciation and amortization for the nine months ended September 30, 2018 decreased by \$8.5 million, or 9.2%, to \$84.2 million from \$92.7 million for the nine months ended September 30, 2017, as a result of a lower depreciable base due to decreased capital expenditures during the current and prior years.

*Severance and other charges (credits), net.* Severance and other charges (credits), net improved from an expense of \$2.4 million for the nine months ended September 30, 2017 to a gain of \$2.5 million for the nine months ended

September 30, 2018. Severance and other charges (credits), net for the nine months ended September 30, 2018 was favorably impacted by the recovery of accounts receivable previously written off in Angola.

*Foreign currency gain (loss).* Foreign currency loss for the nine months ended September 30, 2018 was \$3.4 million as compared to a foreign currency gain for the nine months ended September 30, 2017 of \$3.2 million. The change in foreign currency results year-over-year was primarily driven by the strengthening of the U.S. dollar against other currencies.

*Income tax expense (benefit).* Income tax benefit of \$1.9 million for the nine months ended September 30, 2018 increased by \$74.3 million from an income tax expense of \$72.4 million for the nine months ended September 30, 2017. The change is primarily due to recording valuation allowances. In both periods we recorded valuation allowances against the net deferred tax assets accrued in that period. However, for the nine months ended September 30, 2017 we also recorded valuation allowances against the net deferred tax assets that had been accrued for all periods prior to 2017. The recording of valuation allowances against the accumulated pre-2017 balances resulted in significantly higher tax expense in 2017. In addition, we are subject to many U.S. and foreign tax jurisdictions and many tax agreements and treaties among the various taxing authorities. Our operations in these jurisdictions are taxed on various bases such as income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits) and withholding taxes based on revenues; consequently, the relationship between our pre-tax income from operations and our income tax provision varies from period to period.

## Operating Segment Results

The following table presents revenues and Adjusted EBITDA by segment (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Revenue:</b>				
International Services	\$ 53,891	\$ 53,742	\$ 161,985	\$ 153,851
U.S. Services	38,292	29,065	106,035	89,936
Tubular Sales	12,871	7,701	42,152	40,787
Blackhawk	23,932	17,575	66,468	51,899
<b>Total</b>	<b>\$ 128,986</b>	<b>\$ 108,083</b>	<b>\$ 376,640</b>	<b>\$ 336,473</b>
<b>Segment Adjusted EBITDA <sup>(1)</sup>:</b>				
International Services	\$ 7,848	\$ 11,151	\$ 23,894	\$ 25,459
U.S. Services	(846)	(11,322)	(16,526)	(27,775)
Tubular Sales	286	(1,333)	2,644	1,736
Blackhawk	4,328	3,477	10,398	7,653
	<b>\$ 11,616</b>	<b>\$ 1,973</b>	<b>\$ 20,410</b>	<b>\$ 7,073</b>

<sup>(1)</sup> Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. (For a reconciliation of our Adjusted EBITDA, see "Adjusted EBITDA and Adjusted EBITDA Margin").

### Three Months Ended September 30, 2018 Compared to Three Months Ended September 30, 2017

#### International Services

Revenue for the International Services segment was \$53.9 million for the three months ended September 30, 2018, an increase of \$0.2 million, or 0.3%, compared to \$53.7 million for the same period in 2017, primarily due to activity

improvements in offshore Western Hemisphere, Asia Pacific, Latin America and the Middle East, which were offset by lower activity levels in Africa and decreased work scope in the North Sea.

Adjusted EBITDA for the International Services segment was \$7.8 million for the three months ended September 30, 2018, a decrease of \$3.3 million, or 29.6%, compared to \$11.2 million for the same period in 2017. Prior year results were positively impacted by a tax credit that did not repeat in 2018. Segment results were also impacted by decreased work scope in the North Sea, which partially offset efficiency gains with higher revenues in offshore Western Hemisphere and activity improvements in Asia Pacific, Latin America and the Middle East.

#### *U.S. Services*

Revenue for the U.S. Services segment was \$38.3 million for the three months ended September 30, 2018, an increase of \$9.2 million for the three months ended September 30, 2018, or 31.7%, compared to \$29.1 million for the same period in 2017. Onshore services revenue increased by \$4.5 million as a result of improved activity from increased rig counts. The offshore business saw an increase in revenue of \$4.7 million as a result of increased service activity in the Gulf of Mexico.

Adjusted EBITDA for the U.S. Services segment was a loss of \$0.8 million for the three months ended September 30, 2018, an improvement of \$10.5 million, or 92.5%, compared to \$11.3 million for the same period in 2017, primarily due to an increase in onshore services activity and lower corporate costs, partially offset by lower pricing for our offshore services.

#### *Tubular Sales*

Revenue for the Tubular Sales segment was \$12.9 million for the three months ended September 30, 2018, an increase of \$5.2 million, or 67.1%, compared to \$7.7 million for the same period in 2017, primarily as a result of rig schedule changes with key customers and an improved overall tubular market.

Adjusted EBITDA for the Tubular Sales segment was \$0.3 million for the three months ended September 30, 2018, an increase of \$1.6 million, or 121.5%, compared to a loss of \$1.3 million for the same period in 2017, primarily due to increased sales activity and lower manufacturing cost in the period due to activity levels.

#### *Blackhawk*

Revenue for the Blackhawk Segment was \$23.9 million for the three months ended September 30, 2018, an increase of \$6.4 million, or 36.2%, compared to \$17.6 million for the same period in 2017, driven by strong activity in the U.S. onshore market, increased product sales in the U.S. Gulf of Mexico and growth in international markets.

Adjusted EBITDA for the Blackhawk segment was \$4.3 million for the three months ended September 30, 2018, an increase of \$0.9 million, or 24.5%, compared to \$3.5 million for the same period in 2017, primarily due to improved operational results, partially offset by higher corporate overhead expense driven by bonus and medical claims expense allocations. See Note 1—Basis of Presentation in the Notes to Unaudited Condensed Consolidated Financial Statements.

### ***Nine Months Ended September 30, 2018 Compared to Nine Months Ended September 30, 2017***

#### *International Services*

Revenue for the International Services segment was \$162.0 million for the nine months ended September 30, 2018, an increase of \$8.1 million, or 5.3%, compared to \$153.9 million for the same period in 2017, primarily due to activity improvements in offshore Western Hemisphere, Asia Pacific and the Middle East, which were partially offset by lower activity levels in Africa and Latin America and decreased work scope in the North Sea.

Adjusted EBITDA for the International Services segment was \$23.9 million for the nine months ended September 30, 2018, a decrease of \$1.6 million, or 6.1%, compared to \$25.5 million for the same period in 2017. Prior year results

were positively impacted by a tax credit that did not repeat in 2018. Segment results were also impacted by decreased work scope in the North Sea, which partially offset efficiency gains with higher revenues and upsell work in offshore Western Hemisphere.

#### *U.S. Services*

Revenue for the U.S. Services segment was \$106.0 million for the nine months ended September 30, 2018, an increase of \$16.1 million, or 17.9%, compared to \$89.9 million for the same period in 2017. Onshore services revenue increased by \$13.5 million as a result of improved activity from increased rig counts. The offshore business saw an increase in revenue of \$2.6 million as a result of increased service activity in the Gulf of Mexico.

Adjusted EBITDA for the U.S. Services segment was a loss of \$16.5 million for the nine months ended September 30, 2018, a favorable change of \$11.2 million, or 40.5%, compared to \$27.8 million for the same period in 2017, primarily due to an increase in onshore services activity and lower corporate costs, partially offset by lower pricing for our offshore services.

#### *Tubular Sales*

Revenue for the Tubular Sales segment was \$42.2 million for the nine months ended September 30, 2018, an increase of \$1.4 million, or 3.3%, compared to \$40.8 million for the same period in 2017, primarily as a result of rig schedule changes with key customers.

Adjusted EBITDA for the Tubular Sales segment was \$2.6 million for the nine months ended September 30, 2018, an increase of \$0.9 million, or 52.3%, compared to \$1.7 million for the same period in 2017, primarily due to improved margins and cost action items, partially offset by increased manufacturing costs due to activity levels.

#### *Blackhawk*

Revenue for the Blackhawk Segment was \$66.5 million for the nine months ended September 30, 2018, an increase of \$14.6 million, or 28.1%, compared to \$51.9 million for the same period in 2017, driven by strong activity in the U.S. onshore market, increased market share and new product offerings in the Gulf of Mexico and growth in international markets.

Adjusted EBITDA for the Blackhawk segment was \$10.4 million for the nine months ended September 30, 2018, an increase of \$2.7 million, or 35.9%, compared to \$7.7 million for the same period in 2017, primarily due to improved operational results, partially offset by higher corporate overhead expense driven by bonus and medical claims expense allocations. See Note 1—Basis of Presentation in the Notes to Unaudited Condensed Consolidated Financial Statements.

### **Liquidity and Capital Resources**

#### *Liquidity*

At September 30, 2018, we had cash and cash equivalents and short-term investments of \$246.6 million and debt of \$0.4 million. Our primary sources of liquidity to date have been cash flows from operations. Our primary uses of capital have been for organic growth capital expenditures. We continually monitor potential capital sources, including equity and debt financing, in order to meet our investment and target liquidity requirements.

Our total capital expenditures are estimated at \$30.0 million for 2018. We expect to spend approximately \$22.0 million for the purchase and manufacture of equipment and \$8.0 million for other property, plant and equipment, inclusive of the purchase or construction of facilities. The actual amount of capital expenditures for the manufacture of equipment may fluctuate based on market conditions and timing of deliveries. During the nine months ended September 30, 2018 and 2017, cash expenditures related to property, plant and equipment and intangibles were \$14.6 million and \$18.6 million, respectively, all of which were funded from internally generated funds. We believe our cash on hand should be sufficient to fund our capital expenditure and liquidity requirements for the remainder of 2018.

## **Credit Facilities**

### *New Asset Based Revolving Credit Facility*

On November 5, 2018, FICV, Frank's International, LLC and Blackhawk, as borrowers, and FINV, certain of FINV's subsidiaries, including FICV, Frank's International, LLC, Blackhawk, Frank's International GP, LLC, Frank's International, LP, Frank's International LP B.V., Frank's International Partners B.V., Frank's International Management B.V., Blackhawk Intermediate Holdings, LLC, Blackhawk Specialty Tools, LLC, and Trinity Tool Rentals, L.L.C., as guarantors, entered into a five-year senior secured revolving credit facility (the "New ABL Credit Facility") with JPMorgan Chase Bank, N.A., as administrative agent (the "ABL Agent"), and other financial institutions as lenders with total commitments of \$100.0 million including up to \$15.0 million available for letters of credit. Subject to the terms of the New ABL Credit Facility, we have the ability to increase the commitments to \$200.0 million. The maximum amount that the Company may borrow under the New ABL Credit Facility is subject to a borrowing base, which is based on a percentage of certain eligible accounts receivable and eligible inventory, subject to customary reserves and other adjustments.

All obligations under the New ABL Credit Facility are fully and unconditionally guaranteed jointly and severally by FINV's subsidiaries, including FICV, Frank's International, LLC, Blackhawk, Frank's International GP, LLC, Frank's International, LP, Frank's International LP B.V., Frank's International Partners B.V., Frank's International Management B.V., Blackhawk Intermediate Holdings, LLC, Blackhawk Specialty Tools, LLC, and Trinity Tool Rentals, L.L.C., subject to customary exceptions and exclusions. In addition, the obligations under the New ABL Credit Facility are secured by first priority liens on substantially all of the assets and property of the borrowers and guarantors, including pledges of equity interests in certain of FINV's subsidiaries, subject to certain exceptions. Borrowings under the New ABL Credit Facility bear interest at FINV's option at either (a) the Alternate Base Rate ("ABR") (as defined therein), calculated as the greatest of (i) the rate of interest publicly quoted by the Wall Street Journal, as the "prime rate," subject to each increase or decrease in such prime rate effective as of the date such change occurs, (ii) the federal funds effective rate that is subject to a 0.00% interest rate floor plus 0.50%, and (iii) the one-month Adjusted LIBO Rate (as defined therein) plus 1.00%, or (b) the Adjusted LIBO Rate (as defined therein), plus, in each case, an applicable margin. The applicable interest rate margin ranges from 1.00% to 1.50% per annum for ABR loans and 2.00% to 2.50% per annum for Eurodollar loans and, in each case, is based on FINV's leverage ratio. The unused portion of the New ABL Credit Facility is subject to a commitment fee that varies from 0.250% to 0.375% per annum, according to average daily unused commitments under the New ABL Credit Facility. Interest on Eurodollar loans is payable at the end of the selected interest period, but no less frequently than quarterly. Interest on ABR loans is payable monthly in arrears.

The New ABL Credit Facility contains various covenants and restrictive provisions which limit, subject to certain customary exceptions and thresholds, FINV's ability to, among other things, (1) enter into asset sales; (2) incur additional indebtedness; (3) make investments, acquisitions, or loans and create or incur liens; (4) pay certain dividends or make other distributions and (5) engage in transactions with affiliates. The New ABL Credit Facility also requires FINV to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0 based on the ratio of (a) consolidated EBITDA (as defined therein) minus unfinanced capital expenditures to (b) Fixed Charges (as defined therein), when either (i) an event of default occurs under the New ABL Facility or (ii) availability under the New ABL Credit Facility falls for at least two consecutive calendar days below the greater of (A) \$12.5 million and (B) 15% of the lesser of the borrowing base and aggregate commitments (a "FCCR Trigger Event"). Accounts receivable received by FINV's U.S. subsidiaries that are parties to the New ABL Credit Facility will be deposited into deposit accounts subject to deposit control agreements in favor of the ABL Agent. After a FCCR Trigger Event, these deposit accounts would be subject to "springing" cash dominion. After a FCCR Trigger Event, the Company will be subject to compliance with the fixed charge coverage ratio and "springing" cash dominion until no default exists under the New ABL Credit Facility and availability under the facility for the preceding thirty consecutive days has been equal to at least the greater of (x) \$12.5 million and (y) 15% of the lesser of the borrowing base and the aggregate commitments. If FINV fails to perform its obligations under the agreement that results in an event of default, the commitments under the New ABL Credit Facility could be terminated

and any outstanding borrowings under the New ABL Credit Facility may be declared immediately due and payable. The New ABL Credit Facility also contains cross default provisions that apply to FINV's other indebtedness.

As of November 6, 2018, FINV had no borrowings outstanding under the New ABL Credit Facility, no letters of credit outstanding under the New ABL Credit Facility and availability of \$44.7 million.

#### *Citibank Credit Facility*

In 2016, we entered into a three-year credit facility with Citibank N.A., UAE Branch in the amount of \$6.0 million for the issuance of standby letters of credit and guarantees. The credit facility also allows for open ended guarantees. Outstanding amounts under the credit facility bear interest of 1.25% per annum for amounts outstanding up to one year. Amounts outstanding more than one year bear interest at 1.5% per annum. As of September 30, 2018 and December 31, 2017, we had \$2.3 million and \$2.6 million, respectively, in letters of credit outstanding.

#### *Insurance Notes Payable*

In 2017, we entered into three notes to finance our annual insurance premiums totaling \$5.1 million. The notes bear interest at an annual rate of 2.9% with a final maturity date in October 2018. At September 30, 2018 and December 31, 2017, the total outstanding balance was \$0.4 million and \$4.7 million, respectively.

#### *Tax Receivable Agreement*

We entered into a tax receivable agreement with Frank's International C.V. ("FICV") and Mosing Holdings, LLC ("Mosing Holdings") in connection with our initial public offering ("IPO"). The TRA generally provides for the payment by us to Mosing Holdings of 85% of the amount of the actual reductions, if any, in payments of U.S. federal, state and local income tax or franchise tax in periods after our IPO (which reductions we refer to as "cash savings") as a result of (i) the tax basis increases resulting from the transfer of FICV interests to us in connection with the conversion of shares of Preferred Stock into shares of our common stock on August 26, 2016 and (ii) imputed interest deemed to be paid by us as a result of, and additional tax basis arising from, payments under the TRA. In addition, the TRA provides for interest earned from the due date (without extensions) of the corresponding tax return to the date of payment specified by the TRA. We will retain the remaining 15% of cash savings, if any. The payment obligations under the TRA are our obligations and not obligations of FICV. The term of the TRA continues until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the TRA.

If we elect to execute our sole right to terminate the TRA early, we would be required to make an immediate payment equal to the present value of the anticipated future tax benefits subject to the TRA (based upon certain assumptions and deemed events set forth in the TRA, including the assumption that it has sufficient taxable income to fully utilize such benefits and that any FICV interests that Mosing Holdings or its transferees own on the termination date are deemed to be exchanged on the termination date). In addition, payments due under the TRA will be similarly accelerated following certain mergers or other changes of control.

In certain circumstances, we may be required to make payments under the TRA that we have entered into with Mosing Holdings. In most circumstances, these payments will be associated with the actual cash savings that we recognize in connection with the conversion of Preferred Stock, which would reduce the actual tax benefit to us. If we were to elect to exercise our sole right to terminate the TRA early or enter into certain change of control transactions, we may incur payment obligations prior to the time we actually incur any tax benefit. In those circumstances, we would need to pay the amounts out of cash on hand, finance the payments or refrain from triggering the obligation. Though we do not have any present intention of triggering an advance payment under the TRA, based on our current liquidity and our expected ability to access debt and equity financing, we believe we would be able to make such a payment if necessary. Any such payment could reduce our cash on hand and our borrowing availability, however, which would also reduce the amount of cash available to operate our business, to fund capital expenditures and to be paid as dividends to our stockholders, among other things. Please see Note 11—Related Party Transactions in the Notes to Unaudited Condensed Consolidated Financial Statements.

## Cash Flows from Operating, Investing and Financing Activities

Cash flows from our operations, investing and financing activities are summarized below (in thousands):

	Nine Months Ended	
	September 30,	
	2018	2017
Operating activities	\$ (35,394)	\$ 24,585
Investing activities	(9,215)	(57,243)
Financing activities	(4,636)	(51,634)
	(49,245)	(84,292)
Effect of exchange rate changes on cash	2,357	(1,896)
Net decrease in cash and cash equivalents	\$ (46,888)	\$ (86,188)

Statements of cash flows for entities with international operations that use the local currency as the functional currency exclude the effects of the changes in foreign currency exchange rates that occur during any given year, as these are noncash changes. As a result, changes reflected in certain accounts on the condensed consolidated statements of cash flows may not reflect the changes in corresponding accounts on the condensed consolidated balance sheets.

### *Operating Activities*

Cash flow used in operating activities was \$35.4 million for the nine months ended September 30, 2018 compared to cash flow provided by operating activities of \$24.6 million for the same period in 2017. The increase in cash flow used by operating activities of \$60.0 million was primarily due to unfavorable changes in net accounts receivable. The cash flow provided by net accounts receivable in 2017 was primarily due to tax refunds.

### *Investing Activities*

Cash flow used in investing activities was \$9.2 million for the nine months ended September 30, 2018 compared to \$57.2 million in the same period in 2017. The decrease of \$48.0 million was primarily related to a net increase in proceeds from investments of \$50.2 million, partially offset by lower proceeds from the sale of assets of \$6.3 million.

### *Financing Activities*

Cash flow used in financing activities was \$4.6 million for the nine months ended September 30, 2018 compared to \$51.6 million in the same period in 2017. The decrease in cash flow used in financing activities of \$47.0 million was primarily due to lower dividend payments on common stock of \$50.4 million, partially offset by an increase in repayments on borrowings of \$4.1 million.

## **Off-Balance Sheet Arrangements**

We do not have any material off-balance sheet arrangements with the exception of operating leases.

## **Critical Accounting Policies**

There were no changes to our significant accounting policies from those disclosed in our Annual Report with the exception of revenue recognition. Please see Note 2—Revenues in the Notes to Unaudited Condensed Consolidated Financial Statements.

## **Impact of Recent Accounting Pronouncements**

Refer to Note 1—Basis of Presentation in the Notes to Unaudited Condensed Consolidated Financial Statements for a discussion of accounting standards we recently adopted or will be required to adopt.

**Item 3. *Quantitative and Qualitative Disclosures About Market Risk***

For quantitative and qualitative disclosures about market risk, see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in our Annual Report. Except for the change below, our exposure to market risk has not changed materially since December 31, 2017.

Based on the derivative contracts that were in place as of September 30, 2018, a simultaneous 10% weakening of the U.S. dollar as compared to the Canadian dollar, Euro, Norwegian krone, and Pound sterling would result in a \$3.0 million decrease in the market value of our forward contracts. Please see Note 10—Derivatives in the Notes to Unaudited Condensed Consolidated Financial Statements for additional information regarding our foreign currency derivative contracts outstanding in U.S. dollars as of September 30, 2018.

**Item 4. *Controls and Procedures*****(a) Evaluation of Disclosure Controls and Procedures.**

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure, and such information is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon the evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2018 at the reasonable assurance level.

**(b) Change in Internal Control Over Financial Reporting.**

There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. *Legal Proceedings*

We are the subject of lawsuits and claims arising in the ordinary course of business from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. We had no material accruals for loss contingencies, individually or in the aggregate, as of September 30, 2018 and December 31, 2017. We believe the probability is remote that the ultimate outcome of these matters would have a material adverse effect on our financial position, results of operations or cash flows. Please see Note 14—Commitments and Contingencies in the Notes to Unaudited Condensed Consolidated Financial Statements.

We are conducting an internal investigation of the operations of certain of our foreign subsidiaries in West Africa including possible violations of the U.S. Foreign Corrupt Practices Act (“FCPA”), our policies and other applicable laws. In June 2016, we voluntarily disclosed the existence of our extensive internal review to the U.S. Securities and Exchange Commission (“SEC”), the U.S. Department of Justice (“DOJ”) and other governmental entities. It is our intent to continue to fully cooperate with these agencies and any other applicable authorities in connection with any further investigation that may be conducted in connection with this matter. While our review has not indicated that there has been any material impact on our previously filed financial statements, we have continued to collect information and cooperate with the authorities, but at this time are unable to predict the ultimate resolution of these matters with these agencies.

In addition, during the course of the investigation, we discovered historical business transactions (and bids to enter into business transactions) in certain countries that may have been subject to U.S. and other international sanctions. We disclosed this information to the U.S. Department of Commerce’s Bureau of Industry and Security, Office of Export Enforcement (“OEE”) and to the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) (as well as to the agencies involved in our ongoing investigation discussed above). We received a No Action Letter dated April 20, 2018 from OEE, stating that OEE had closed its investigation without taking further action. In addition, we received a No Action Letter dated April 23, 2018 from OFAC, stating that OFAC had closed its investigation without taking further action.

As disclosed above, our investigation into possible violations of the FCPA remains ongoing, and we will continue to cooperate with the SEC, DOJ and other relevant governmental entities in connection therewith. At this time, we are unable to predict the ultimate resolution of these matters with these agencies, including any financial impact to us. Our board and management are committed to continuously enhancing our internal controls that support improved compliance and transparency throughout our global operations.

### Item 1A. *Risk Factors*

In addition to the other information set forth in this report, you should carefully consider the risks under the heading “Risk Factors” in our Annual Report, as well as the risk factor below, which risks could materially affect our business, financial condition or future results. These risks are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations.

***Restrictions in the agreement governing the New ABL Credit Facility could adversely affect our business, financial condition and results of operations.***

The operating and financial restrictions in the New ABL Credit Facility and any future financing agreements could restrict our ability to finance future operations or capital needs, or otherwise pursue our business activities. For example, the New ABL Credit Facility limits our and our subsidiaries’ ability to, among other things:

- incur debt or issue guarantees;
- incur or permit certain liens to exist;
- make certain investments, acquisitions or other restricted payments;
- dispose of assets;

- engage in certain types of transactions with affiliates;
- merge, consolidate or transfer all or substantially all of our assets; and
- prepay certain indebtedness.

Furthermore, the New ABL Credit Facility contains a covenant requiring us to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0 based on the ratio of (a) consolidated EBITDA (as defined therein) minus unfinanced capital expenditures to (b) Fixed Charges (as defined therein) when availability under the New ABL Credit Facility falls below the greater of (a) \$12.5 million and (b) 15% of the lesser of the borrowing base and aggregate commitments. Accounts receivable received by FINV's U.S. subsidiaries that are parties to the New ABL Credit Facility will be deposited into deposit accounts subject to deposit control agreements in favor of the ABL Agent. In the event FINV does not maintain the minimum fixed charge coverage ratio discussed above, these deposit accounts would be subject to "springing" cash dominion.

In addition, any borrowings under the New ABL Credit Facility may be at variable rates of interest that expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed will remain the same, and our net income and cash flows will correspondingly decrease.

A failure to comply with the covenants in the agreement governing the New ABL Credit Facility could result in an event of default, which, if not cured or waived, would permit the exercise of remedies against us that could have a material adverse effect on our business, results of operations and financial position. Remedies under the New ABL Credit Facility include foreclosure on the collateral securing the indebtedness and termination of the commitments under the New ABL Credit Facility, and any outstanding borrowings under the New ABL Credit Facility may be declared immediately due and payable.

## Item 5. Other Information

### *New Asset Based Revolving Credit Facility*

On November 5, 2018, FICV, Frank's International, LLC and Blackhawk, as borrowers, and FINV, certain of FINV's subsidiaries, including FICV, Frank's International, LLC, Blackhawk, Frank's International GP, LLC, Frank's International, LP, Frank's International LP B.V., Frank's International Partners B.V., Frank's International Management B.V., Blackhawk Intermediate Holdings, LLC, Blackhawk Specialty Tools, LLC, and Trinity Tool Rentals, L.L.C., as guarantors, entered into a five-year senior secured revolving credit facility (the "New ABL Credit Facility") with JPMorgan Chase Bank, N.A., as administrative agent (the "ABL Agent"), and other financial institutions as lenders with total commitments of \$100.0 million including up to \$15.0 million available for letters of credit. Subject to the terms of the New ABL Credit Facility, we have the ability to increase the commitments to \$200.0 million. The maximum amount that the Company may borrow under the New ABL Credit Facility is subject to a borrowing base, which is based on a percentage of certain eligible accounts receivable and eligible inventory, subject to customary reserves and other adjustments.

All obligations under the New ABL Credit Facility are fully and unconditionally guaranteed jointly and severally by FINV's subsidiaries, including FICV, Frank's International, LLC, Blackhawk, Frank's International GP, LLC, Frank's International, LP, Frank's International LP B.V., Frank's International Partners B.V., Frank's International Management B.V., Blackhawk Intermediate Holdings, LLC, Blackhawk Specialty Tools, LLC, and Trinity Tool Rentals, L.L.C., subject to customary exceptions and exclusions. In addition, the obligations under the New ABL Credit Facility are secured by first priority liens on substantially all of the assets and property of the borrowers and guarantors, including pledges of equity interests in certain of FINV's subsidiaries, subject to certain exceptions. Borrowings under the New ABL Credit Facility bear interest at FINV's option at either (a) the Alternate Base Rate ("ABR") (as defined therein), calculated as the greatest of (i) the rate of interest publicly quoted by the Wall Street Journal, as the "prime rate," subject to each increase or decrease in such prime rate effective as of the date such change occurs, (ii) the federal funds effective rate that is subject to a 0.00% interest rate floor plus 0.50%, and (iii) the one-month Adjusted LIBO Rate (as defined therein) plus 1.00%, or (b) the Adjusted LIBO Rate (as defined therein), plus, in each case, an applicable margin. The applicable interest rate margin ranges from 1.00% to 1.50% per annum for ABR loans and 2.00% to 2.50% per annum for Eurodollar loans and, in each case, is based on FINV's leverage ratio. The unused portion of the New ABL Credit Facility is subject to a commitment fee that varies from 0.250% to 0.375% per annum, according to average daily unused commitments under the New ABL Credit Facility. Interest on Eurodollar loans is payable at the end of the selected interest period, but no less frequently than quarterly. Interest on ABR loans is payable monthly in arrears.

The New ABL Credit Facility contains various covenants and restrictive provisions which limit, subject to certain customary exceptions and thresholds, FINV's ability to, among other things, (1) enter into asset sales; (2) incur additional indebtedness; (3) make investments, acquisitions, or loans and create or incur liens; (4) pay certain dividends or make other distributions and (5) engage in transactions with affiliates. The New ABL Credit Facility also requires FINV to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0 based on the ratio of (a) consolidated EBITDA (as defined therein) minus unfinanced capital expenditures to (b) Fixed Charges (as defined therein), when either (i) an event of default occurs under the New ABL Facility or (ii) availability under the New ABL Credit Facility falls for at least two consecutive calendar days below the greater of (A) \$12.5 million and (B) 15% of the lesser of the borrowing base and aggregate commitments (a "FCCR Trigger Event"). Accounts receivable received by FINV's U.S. subsidiaries that are parties to the New ABL Credit Facility will be deposited into deposit accounts subject to deposit control agreements in favor of the ABL Agent. After a FCCR Trigger Event, these deposit accounts would be subject to "springing" cash dominion. After a FCCR Trigger Event, the Company will be subject to compliance with the fixed charge coverage ratio and "springing" cash dominion until no default exists under the New ABL Credit Facility and availability under the facility for the preceding thirty consecutive days has been equal to at least the greater of (x) \$12.5 million and (y) 15% of the lesser of the borrowing base and the aggregate commitments. If FINV fails to perform its obligations under the agreement that results in an event of default, the commitments under the New ABL Credit Facility could be terminated.

and any outstanding borrowings under the New ABL Credit Facility may be declared immediately due and payable. The New ABL Credit Facility also contains cross default provisions that apply to FINV's other indebtedness.

As of November 6, 2018, FINV had no borrowings outstanding under the New ABL Credit Facility, no letters of credit outstanding under the New ABL Credit Facility and availability of \$44.7 million.

#### *Related Party Leases*

On November 2, 2018, Frank's International, LLC entered into a purchase agreement with Mosing Ventures, LLC, Mosing Land & Cattle Company, LLC, Mosing Queens Row Properties, LLC, and 4-M Investments, each of which are companies related to us by common ownership (the "Mosing Companies"). Under the purchase agreement we will acquire real property that we currently lease from the Mosing Companies, and two additional properties located adjacent to those properties. The total purchase price is \$36.0 million. Following the execution date, we will have 30 days to identify title defects, and if title defects we identify are not cured, we may terminate the agreement. The properties will be conveyed as-is, except that until 10 years following the Closing Date, the parties will continue to have certain rights and obligations under the terms of the agreements by which some of the purchased properties were acquired by the Mosing Companies at the time of our initial public offering. We expect the purchase to close by the end of 2018.

We have made improvements on the purchased properties during the lease period, and the purchase price was calculated excluding the value of those improvements. Once the purchase closes, we will no longer lease the acquired properties from the Mosing Companies. See Note 11—Related Party Transactions in the Notes to Unaudited Condensed Consolidated Financial Statements.

## Item 6. Exhibits

The exhibits required to be filed by Item 6 are set forth in the Exhibit Index included below.

### EXHIBIT INDEX

Exhibit Number	Description
<a href="#"><u>3.1</u></a>	Deed of Amendment to Articles of Association of Frank's International N.V., dated May 19, 2017 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-36053), filed on May 25, 2017).
<a href="#"><u>†10.1</u></a>	Separation Agreement, dated as of June 12, 2018 and effective as of September 30, 2018, by and among Alejandro Cestero, Frank's International, LLC and Frank's International N.V. (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q (File No. 001-36053), filed on August 8, 2018).
<a href="#"><u>†10.2</u></a>	Transition and Separation Agreement, dated as of June 12, 2018 and effective as of December 31, 2018, by and among Burney J. Latiolais, Jr., Frank's International, LLC and Frank's International N.V. (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q (File No. 001-36053), filed on August 8, 2018).
<a href="#"><u>*†10.3</u></a>	Fourth Amendment to Frank's International N.V. Employee Stock Purchase Plan effective as of November 1, 2018.
<a href="#"><u>*†10.4</u></a>	Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (2018 Time Vested Form).
<a href="#"><u>*†10.5</u></a>	Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (2018 Performance Based Form).
<a href="#"><u>*†10.6</u></a>	Frank's International N.V. Recoupment Policy effective as of October 30, 2018.
<a href="#"><u>*31.1</u></a>	Certification of Chief Executive Officer pursuant to Rule 13a-14 (a) under the Securities Exchange Act of 1934.
<a href="#"><u>*31.2</u></a>	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
<a href="#"><u>**32.1</u></a>	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
<a href="#"><u>**32.2</u></a>	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
*101.INS	XBRL Instance Document.
*101.SCH	XBRL Taxonomy Extension Schema Document.
*101.CAL	XBRL Taxonomy Calculation Linkbase Document.
*101.DEF	XBRL Taxonomy Definition Linkbase Document.
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

† Represents management contract or compensatory plan or arrangement.

\* Filed herewith.

\*\* Furnished herewith.

**SIGNATURES**

Pursuant to the requirements 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.

**FRANK'S INTERNATIONAL N.V.**

Date: November 6, 2018

By: /s/ Kyle McClure  
Kyle McClure  
*Senior Vice President and Chief Financial Officer*  
*(Principal Financial Officer)*

**FOURTH AMENDMENT TO  
FRANK'S INTERNATIONAL N.V.  
EMPLOYEE STOCK PURCHASE PLAN**

**WHEREAS, FRANK'S INTERNATIONAL N.V.** (the "Company") has heretofore adopted the **FRANK'S INTERNATIONAL N.V. EMPLOYEE STOCK PURCHASE PLAN** (the "Plan"), the First Amendment to the Plan, the Second Amendment to the Plan and the Third Amendment to the Plan; and

**WHEREAS**, the Company desires to amend the Plan in certain respects;

**NOW, THEREFORE**, the Plan shall be amended as follows, effective as of November 1, 2018:

1. Section 3.2 of the Plan shall be amended to read:

Purchase of Shares. On each Exercise Date, the amount in a Participant's Account shall be charged with the aggregate Option Price of the largest number of whole shares of Common Stock which can be purchased with said amount. The remaining balance, if any, in such account shall be refunded to Participant via payroll within one month of the Exercise Date. If the total number of shares of Common Stock for which options are exercised on any Exercise Date exceeds the maximum number of shares then available for sale under the Plan, the Company shall allocate the available shares by reducing the Participants' designated payroll deduction authorization percentages in order of the highest percentages until the excess is eliminated, and any remaining balance of payroll deductions credited to the account of a participant under the Plan shall be refunded to him promptly.

2. Section 6.5 of the Plan shall be amended to read:

Amendment of the Plan. The Compensation Committee may at any time, or from time to time, amend the Plan in any respect, except that, without approval of the shareholders, no amendment may increase the aggregate number of shares reserved under the Plan other than as provided in Section 4.2 hereof, materially increase the benefits accruing to Participants or materially modify the requirements as to eligibility for participation in the Plan. Any amendment of the Plan must be made in accordance with applicable provisions of the Code and/or any regulations issued thereunder, any other applicable law or regulations, and the requirements of the principal exchange upon which the Common Stock is listed.

3. As amended hereby, the Plan is specifically ratified and reaffirmed.

[Signature Page Attached]

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**IN WITNESS WHEREOF**, this Fourth Amendment has been executed by a duly authorized officer of the Company, as of the date specified below and effective as set forth herein.

**FRANK'S INTERNATIONAL N.V.**

By: /s/ Michael Kearney

Name: Michael Kearney

Title: Chairman, President and Chief Executive Officer

Dated: October 30, 2018

**FRANK'S INTERNATIONAL N.V.  
U.S. EMPLOYEE RESTRICTED STOCK UNIT (RSU) AGREEMENT**

**THIS RESTRICTED STOCK UNIT AGREEMENT** including Exhibit A (this "**Agreement**") evidences an award made as of the \_\_\_\_ day of \_\_\_\_\_ (the "**Date of Grant**"), between **FRANK'S INTERNATIONAL N.V.**, a limited liability company organized in the Netherlands (the "**Company**"), and \_\_\_\_\_ (the "**Employee**"). The Company and Employee may be referred to individually as "Party," and/or collectively as the "Parties."

1. **The Grant.** Pursuant to the **FRANK'S INTERNATIONAL N.V. 2013 LONG-TERM INCENTIVE PLAN**, as the same may be amended from time to time (the "**Plan**"), and subject to the conditions set forth below, the Company hereby awards to Employee, effective as of the Date of Grant, an award consisting of an aggregate number of \_\_\_\_\_ restricted stock units (the "**Restricted Stock Units**" or "**RSUs**"), whereby each Restricted Stock Unit represents the right to receive one share of the Company's common stock, par value €0.01 per share ("**Common Stock**"), plus the potential rights to Dividend Equivalents set forth in Section 3(e) hereof, in accordance with the terms and conditions set forth herein and in the Plan (the "**Award**"). To the extent any provision of this Agreement conflicts with the expressly applicable terms of the Plan, those terms of the Plan shall control, and if necessary, the applicable terms of this Agreement shall be deemed amended so as to carry out the purpose and intent of the Plan.

2. **Definitions.** Capitalized terms used in this Agreement that are not defined below or in the body of this Agreement shall have the meanings given to them in the Plan. In addition to the terms defined in the body of this Agreement, the following capitalized words and terms shall have the meanings indicated below:

(a) "**Cause**" shall mean a determination by the Company or its employing affiliate (the "**Employer**") that Employee (i) has engaged in gross negligence, incompetence, or misconduct in the performance of his or her duties with respect to the Employer or any of its affiliates; (ii) has failed to materially perform Employee's duties and responsibilities to the Employer or any of its affiliates; (iii) has breached any material provision of this Agreement or any written agreement or corporate policy or code of conduct established by the Employer or any of its affiliates; (iv) has engaged in conduct that is, or could reasonably be expected to be, materially injurious to the Employer or any of its affiliates; (v) has committed an act of theft, fraud, embezzlement, misappropriation, or breach of a fiduciary duty to the Employer or any of its affiliates; or (vi) has been convicted of, pleaded no contest to, or received adjudicated probation or deferred adjudication in connection with a crime involving fraud, dishonesty, or moral turpitude or any felony (or a crime of similar import in a foreign jurisdiction).

(b) "**Disability**" shall have the meaning set forth in any written employment or consulting agreement between the Employer and Employee. If Employee is not party to such an agreement that defines these terms, then for purposes of this Agreement, "Disability" shall mean Employee being unable to perform Employee's duties or fulfill Employee's obligations under the terms of his or her employment 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 six months as determined by the Employer and certified in writing by a competent medical physician selected by the Employer.

(c) "**Forfeiture Restrictions**" shall have the meaning specified in Section 3(a) hereof.

(d) "**Involuntary Termination**" shall mean a termination of Employee's employment by the Company or an affiliate for a reason other than for Cause.

(e) **“Section 409A”** shall mean Section 409A of the Internal Revenue Code of 1986, as amended.

(f) **“CIC Severance Plan”** shall mean the Company’s U.S. Executive Change-In-Control Severance Plan adopted on May 20, 2015, and any amendments or restatements of this plan.

(g) **“Special Vesting Agreement”** means an agreement in which the Company, in its sole discretion, elects to permit some or all of Employee’s RSUs to continue vesting following Employee’s employment with the Company or with an affiliate, as applicable, in exchange for Employee’s strict compliance with designated post-termination conditions, as determined by the Company pursuant to a written agreement executed at the time the Participant’s termination of employment occurs.

3. **Restricted Stock Units.** By acceptance of this Restricted Stock Unit award, Employee agrees with respect thereto as follows:

(a) **Forfeiture Restrictions.** The Restricted Stock Units are restricted in that they may not be sold, assigned, pledged, exchanged, hypothecated, or otherwise alienated or transferred, encumbered, or disposed of, and in the event of termination of Employee’s employment or service with the Company for any reason other than death or Disability, or, to the extent provided in Section 3(c) below, on account of an Involuntary Termination, Employee shall, for no consideration, forfeit to the Company all Restricted Stock Units to the extent then subject to the Forfeiture Restrictions. The prohibition against transfer and the obligation to forfeit and surrender Restricted Stock Units to the Company upon termination of employment or services as provided in this Section 3(a) are herein referred to as the “Forfeiture Restrictions.” The Forfeiture Restrictions shall be binding upon and enforceable against any transferee of Restricted Stock Units.

(b) **Lapse of Forfeiture Restrictions (Vesting).** Provided that Employee has been continuously employed by the Company from the Date of Grant through the scheduled “Lapse (Vesting) Date” set forth in the following schedule, and in compliance with Exhibit A and all other agreements or obligations to the Company, the Forfeiture Restrictions shall lapse, and the Restricted Stock Units will vest, with respect to a percentage of the Restricted Stock Units determined in accordance with the following schedule:

<b><u>Lapse (Vesting) Date</u></b>	<b><u>Percentage of Total Number of RSUs as to Which Forfeiture Restrictions Lapse</u></b>
[TBD]	[TBD]

Except as provided in Subsection 3(c) below, the Company will issue one share of Common Stock to Employee on the date each RSU is scheduled to become vested under this Section 3(b). Any Restricted Stock Units with respect to which the Forfeiture Restrictions do not lapse in accordance with the preceding provisions of this Section 3(b) (and any associated unvested dividend equivalents) shall be forfeited to the Company for no consideration as of the date of the termination of Employee’s employment with the Company.

(c) **Accelerated Vesting.**

(1) **Death.** If Employee's employment with the Company is terminated by reason of death, then the Forfeiture Restrictions shall lapse with respect to 100% of the Restricted Stock Units effective on the date such death occurs and Employee's RSUs shall be settled in the manner provided under Section 3(d) below.

(2) **Disability.** If Employee's employment with the Company is terminated by reason of Disability, then the Forfeiture Restrictions shall lapse with respect to 100% of the Restricted Stock Units effective as of the date of Employee's "separation from service" (as defined under the Section 409A) and Employee's RSU's shall be settled in the manner provided under Section 3(d) below on the dates such awards were scheduled to become vested under Section 3(b) above.

(3) **Change in Control.** If a Change in Control occurs and Employee is a participant in the CIC Severance Plan, then the terms of Section 3 of such plan are hereby incorporated by reference into this Agreement. If Employee is not a participant in the CIC Severance Plan and his or her employment with the Company is terminated during the twenty-four (24) month period immediately following the date the Change in Control occurs due to an Involuntary Termination, then the Forfeiture Restrictions shall lapse with respect to 100% of the Restricted Stock Units effective as of the date of Employee's "separation from service" (as defined under the Section 409A) and Employee's RSUs shall be settled in the manner provided under Section 3(d) below.

( 4 ) **Involuntary Termination.** If Employee's employment with the Company is terminated due to an Involuntary Termination, then Company may, in its complete discretion, elect to enter into a Special Vesting Agreement with Employee pursuant to which the Forfeiture Restrictions shall not lapse upon such termination of employment, but instead this Award shall continue to remain outstanding and Employee will be treated, solely for purposes of satisfying the requirements for a lapse of Forfeiture Restrictions under Section 3(b), as continuing in the employment of the Company throughout the period during which he or she continuously satisfies the obligations set forth in Exhibit A attached hereto and incorporated herein by reference as part of this Agreement. As further condition to receiving any Special Vesting Agreement, Employee shall provide a release of all claims against the Company in a form acceptable to the Company, upon entering the Special Vesting Agreement, as well as upon the last date on which the Forfeiture Restrictions lapse, and also Employee must continuously comply with any other obligations to, or agreements with, the Company.

(d) **Payments.** Subject to compliance with all terms of this Agreement and Exhibit A, as soon as reasonably practicable after (i) each scheduled Lapse (Vesting) Date with respect to the specified number of Restricted Stock Units as provided in Section 3(b) hereof (but in no event later than the end of the calendar year in which the Forfeiture Restrictions so lapse), (ii) the date of Employee's death, or (iii) to the extent provided in Section 3(c)(4), the date Employee is Involuntarily Terminated, the Company shall cause to be issued to Employee with respect to each share of Common Stock covered by each such Restricted Stock Unit one share of Common Stock registered in Employee's name. The Company shall deliver the shares of Common Stock in book-entry form, with such legends or restrictions thereon as the Administrator may determine to be necessary or advisable in order to comply with applicable securities laws. Employee shall complete and sign any documents and take any additional action that the Company may request to enable it to deliver shares of Common Stock on Employee's behalf. In the event that all or part of the Restricted Stock Units granted pursuant to this Agreement provides for a deferral of compensation within the meaning of the Section 409A, it is the general intention, but not the obligation, of the Company to design this Award to comply with the Section 409A and such Award should be interpreted accordingly. Notwithstanding anything to the contrary contained herein, in the event that Employee is a "specified employee" (as defined under the Section 409A) when Employee becomes entitled to a payment or settlement under the Award which

is subject to the Section 409A on account of a “separation from service” (as defined under the Section 409A), to the extent required by the Code, such payment shall not occur until the date that is six (6) months plus one (1) day from the date of such separation from service. Any amount that is otherwise payable within the six (6) month period described herein will be aggregated and paid in a lump sum without interest. Further, for purposes of the Section 409A, each payment or settlement of any portion of the Restricted Stock Units under this Agreement shall be treated as a separate payment of compensation.

(e) **Dividend Equivalents.** In the event the Company declares and pays a dividend in respect of its outstanding shares of Common Stock and, on the record date for such dividend, Employee holds Restricted Stock Units granted pursuant to this Agreement that have become vested pursuant to Section 3(c) hereof and have not been settled in accordance with Section 3(d) hereof, Employee shall be entitled to receive a payment, subject to compliance with all terms of this Agreement as well as Section 4 hereof, in respect of the number of shares of Common Stock relating to such vested Restricted Stock Units, with such Dividend Equivalent payment being made in the amount and form that such payment would have been made if, as of such record date, Employee actually held the underlying shares of Common Stock related to the portion of the vested Restricted Stock Units that have not been settled or forfeited as of such record date. Such Dividend Equivalent payment shall be made commensurate with the date the Company pays such dividend in respect of its outstanding shares of Common Stock (however, in no event shall the Dividend Equivalents be paid later than the earlier of thirty (30) days following, or the end of the calendar year that includes, the date on which the Company pays such dividends to its shareholders generally).

(f) **Restrictive Covenants.** Employee acknowledges and recognizes the highly competitive nature of the businesses of the Company and accordingly agrees, in his or her capacity as an employee and equity holder in the Company, to the provisions of Exhibit A to this Agreement. Employee acknowledges and agrees that the Company’s remedies at law for a breach or threatened breach of any of the provisions of Exhibit A or any other similar obligations Employee has towards the Company under applicable law or other agreements (which includes any attempt to have any provision in Exhibit A or other similar obligations of Employee declared overbroad or unenforceable) (a “Restrictive Covenant Violation”) would be available but inadequate and the Company would suffer irreparable damages as a result of such a Restrictive Covenant Violation. In recognition of this fact, Employee agrees that, in the event of a Restrictive Covenant Violation, in addition to any remedies available to the Company under law, including damages and attorneys’ fees, remedies available the Company, without posting any bond, shall be to (i) cease making any dividend or other payments or providing any benefit otherwise required by this Agreement; (ii) terminate future vesting and cause forfeiture of all vested and unvested RSUs and common stock issued or issuable under this Agreement without consideration, (iii) cause forfeiture of the gross value of the common stock issued to Employee in the one (1) year period prior to the Restrictive Covenant Violation (determined as of the date such stock was issued to Employee and using the Fair Market Value (as defined in the Plan) of the Company’s common stock on that date), (iv) receive repayment of any cash payments made to Employee with respect to the RSUs during the prior twelve (12) month period, (v) obtain a temporary restraining order, temporary or permanent injunction or (vi) specific performance or any other equitable remedy which may then be available.

(g) **Corporate Acts.** The existence of the Restricted Stock Units shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization, or other change in the Company’s capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange, or other disposition of all or any part of its assets or business, or any other corporate act or proceeding.

4. **Withholding of Tax.** To the extent that the receipt of the Restricted Stock Units (or any Common Stock or dividend equivalents related thereto) or the lapse of any Forfeiture Restrictions results in

compensation, income or wages to Employee for federal, state, or local tax purposes, Employee shall deliver to the Company at the time of such receipt or lapse, as the case may be, such amount of money as the Company may require to meet its minimum obligation under applicable tax laws or regulations, and if Employee fails to do so (or if Employee instructs the Company to withhold cash or stock to meet such obligation), the Company shall withhold from any cash or stock remuneration (including withholding any shares of the Common Stock distributable to Employee under this Agreement) then or thereafter payable to Employee, any tax required to be withheld by reason of such resulting compensation income or wages. The Company is making no representation or warranty as to the tax consequences to Employee as a result of the receipt of the Restricted Stock Units, the treatment of dividend equivalents, the lapse of any Forfeiture Restrictions, or the forfeiture of any Restricted Stock Units pursuant to the Forfeiture Restrictions.

5. **No Shareholder Rights**. The Restricted Stock Units granted pursuant to this Agreement do not and shall not entitle Employee to any rights of a holder of Common Stock prior to the date that shares of Common Stock are issued to Employee in settlement of the Award. Employee's rights with respect to the Restricted Stock Units shall remain forfeitable as stated in this Agreement.

6. **Clawback**. Notwithstanding any provisions in the Agreement to the contrary, any compensation, payments, or benefits provided hereunder (or profits realized from the sale of the Common Stock delivered hereunder), whether in the form of cash or otherwise, shall be subject to a clawback (i) to the extent necessary to comply with the requirements of any applicable law, including but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, section 304 of the Sarbanes Oxley Act of 2002 or any regulations promulgated thereunder; (ii) to the extent provided by any policy or procedure adopted by the Company or any individual agreement between Employee and the Company; or (iii) pursuant to the terms of this Agreement in the event of a Restrictive Covenant Violation.

7. **Employment Relationship**. For purposes of this Agreement (except as otherwise provided in Section 3(c)(4) hereof), Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of either the Company or a Subsidiary. Without limiting the scope of the preceding sentence, it is specifically provided that Employee shall be considered to have terminated employment or service with the Company at the time of the termination of the "Subsidiary" status of the entity or other organization that employs or engages Employee. Nothing in the adoption of the Plan, nor the award of the Restricted Stock Units thereunder pursuant to this Agreement, shall confer upon Employee the right to continued employment by or service with the Company or affect in any way the right of the Company to terminate such employment or service at any time. Unless otherwise provided in a written employment or consulting agreement or by applicable law, Employee's employment by or service with the Company shall be on an at-will basis, and the employment or service relationship may be terminated at any time by either Employee or the Company for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment or service, and the cause of such termination, shall be determined by the Committee or its delegate, in its sole discretion, and its determination shall be final.

8. **Notices**. Any notices or other communications provided for in this Agreement shall be sufficient if in writing. In the case of Employee, such notices or communications shall be effectively delivered if hand delivered to Employee at Employee's principal place of employment or if sent by registered or certified mail or other mail delivery method that provides a receipt, to Employee at the last address Employee has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered if sent by registered or certified mail or other mail delivery service that provides a receipt, to the General Counsel of Company at its principal executive offices.

9. **Entire Agreement; Amendment**. This Agreement (including Exhibit A) and the documents incorporated by reference herein replace and merge all previous agreements and discussions relating to the

same or similar subject matters between Employee and the Company and constitute the entire agreement between Employee and the Company with respect to the subject matter of this Agreement, except as otherwise provided herein. This Agreement, including Exhibit A, may not be modified in any respect by any verbal statement, representation, or agreement made by any employee, officer, or representative of the Company or by any written agreement unless signed by an officer of the Company who is expressly authorized by the Company to execute such document. The foregoing notwithstanding, this Agreement does not modify or replace in any way any obligations Employee has to the Company or its related entities, under any agreement or applicable law, for non-disclosure, non-competition, non-solicitation, or non-interference.

10. **Severability.** If any part of this Agreement, including Exhibit A, is found to be unenforceable by a court of competent jurisdiction, then such unenforceable portion will be modified to be enforceable, or severed from this Agreement if it cannot be modified, and such modification or severance shall have no effect upon the remaining portions of this Agreement and Exhibit A which shall remain in full force and effect.

11. **No Waiver.** No failure by either Party at any time to give notice of any breach by the other Party of, or to require compliance with, any condition or provision of this Agreement shall (i) be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time or (ii) preclude insistence upon strict compliance in the future.

12. **Binding Effect; Survival.** The provisions of Sections 3(f) and 6, and Exhibit A shall survive the lapse of the Forfeiture Restrictions without forfeiture. This Agreement and Exhibit A shall be binding upon and shall inure to the benefit of the Company, and automatically to any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of the Company by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's obligations under this Agreement and Exhibit A are personal and such obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred by Employee without the prior written consent of the Company.

13. **Governing Law/Forum/Jury Waiver.** The Parties agree and acknowledge that this Agreement and Exhibit A shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws principles. With respect to any claim or dispute arising out of or related to this Agreement or Exhibit A, the Parties hereby consent to the exclusive jurisdiction, forum, and venue of the state and federal courts located in Harris County, Texas, unless another forum or venue is required by law. Both the Company and Employee agree to waive a trial by jury of any or all issues arising under or connected with this Agreement or Exhibit A, and consent to trial by the judge.

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first above written.

**FRANK'S INTERNATIONAL N.V.**

By: \_\_\_\_\_  
Name:  
Title:

**EMPLOYEE**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

## EXHIBIT A

### U.S. EMPLOYEE CONFIDENTIALITY AND RESTRICTED COVENANT AGREEMENT

This U.S. Employee Confidentiality and Restrictive Covenant Agreement ("Agreement") is made and entered as of the \_\_\_\_ day of \_\_\_\_\_, between \_\_\_\_\_ ("Employee") and Frank's International, LLC and Blackhawk Specialty Tools, LLC (the "Company") and for the benefit of the Company, Frank's International N.V. and their subsidiary and affiliated companies (collectively referred to as the "Company Group"). The Company and Employee may be referred to individually as "Party," and/or collectively as the "Parties." The Parties agree as follows:

**1. Company Promise to Provide Access to Company Group Confidential Information and Goodwill.** Employee recognizes that the Company Group has made significant investments of time and resources in establishing substantial relationships with the Company Group's employees and Company Relationships (defined below) including existing and prospective customers, suppliers, contractors, sub-contractors, and other business relationships and developing the Company Group's reputation and goodwill. Employee further recognizes that the Company Group has further invested valuable time and resources to obtain and develop and protect the Company Group's proprietary business information, trade secrets, know-how, and other Confidential Information (defined below). The protection of Confidential Information and Company Relationships is vital to the interests of the Company Group.

1.1 In exchange for Employee's promises made in this Agreement, the Company promises to provide to Employee, consistent with Employee's position, access to certain information regarding the business and activities of the Company Group. Employee acknowledges that he/she will have access to confidential information, training and related goodwill ("Confidential Information," defined more fully below) as well as Company Relationships (defined below) while employed by the Company, including without limitation, any information and goodwill obtained by Employee during the course of Employee's employment with the Company, concerning the business or affairs of the Company Group or that of its customers, suppliers, contractors, subcontractors, agents or representatives.

1.2 Confidential Information includes any information about the Company Group that has not been intentionally publicly disclosed by the Company Group. Confidential Information likewise includes all information provided to the Company Group by its customers, suppliers, contractors, subcontractors, business partners, joint venturers, agents or representatives which has not been intentionally publicly disclosed by these persons or entities. While Employee is obligated to comply with all non-disclosure requirements in place with the Company Group's customers, suppliers, contractors, subcontractors, business partners, joint venturers, agents or representatives, the obligations under this Agreement are broader and apply to any non-public information the Company Group or Employee receives from or has access to regarding these third parties, regardless of whether the Company Group is contractually obligated to a third party to keep such information confidential. Confidential Information includes, without limitation, information relating to the services, products, policies, practices, pricing, costs, suppliers, vendors, methods, processes, techniques, finances, administration, employees, devices, trade secrets and operations of the Company Group, any inventions, modifications, discoveries, designs, developments, improvements, processes, software programs, work of authorship, documentation, formula, data, technique, technology, know-how, secret or intellectual property right by any Company Group employee, Company Group customers or potential customers, marketing, sales activities, development programs, promotions, manufacturing, machining, drawings, future and current plans regarding business and customers, e-mails, notes, manufacturing documents, engineering documents, formulas, financial statements, bids, project reports,

handling documentation, machinery and compositions, all financial data relating to the Company Group, business methods, accounting and tracking methods, books, inventory handling procedure, credit, credit procedures, indebtedness, financing procedures, investments, trading, shipping, production, processing, welding, fabricating, assembling, renting, domestic and foreign operations, customer and vendor and supplier lists, data storage in any medium (electronic or hard copy) contact information, lab reports, lab work, and any data or materials used in and created during the development of any of the aforementioned materials or processes.

**2. Employee Promise Not to Disclose Confidential Information.** Employee acknowledges that this Confidential Information is confidential, proprietary, not known outside of the Company Group's business, valuable, special and/or a unique asset of the Company Group which belongs to the Company Group and gives the Company Group a competitive advantage. If this Confidential Information were disclosed to third parties or used by third parties and/or Employee, such disclosure or use would seriously and irreparably damage the Company Group and cause the loss of certain competitive advantages. Employee promises he/she has not and will not disclose in any way, or use for Employee's own benefit or for the benefit of anyone besides the Company Group, the Confidential Information described above and obtained by Employee as part of his/her employment with the Company. Employee acknowledges that this promise of non-disclosure and non-use continues indefinitely and specifically does not expire at the end of Employee's employment with the Company. This Section does not apply to or in any way restrict or impede Employee from any communications with government agencies as stated below, or complying with any applicable law or court order, or exercising whistleblower or other protected non-waivable legal rights.

**3. Non-Disparagement.** Employee agrees that he/she shall not at any time make, publish, or communicate to any person or entity or in any public forum, any defamatory or disparaging remarks, comments, or statements concerning the Company Group or its businesses, business practices, or any of its employees or officers, and existing and prospective customers, suppliers, investors and other associated third parties. This Section does not apply to or in any way restrict or impede Employee from any communications with government agencies as stated below, or complying with any applicable law or court order, or exercising whistleblower or other protected non-waivable legal rights.

**4. Non-Competition/Non-Solicitation/Non-Interference.** Employee acknowledges that the highly competitive nature of the Company's business, Employee's position with the Company, and the Confidential Information, Company Relationships, training, and goodwill provided to Employee during his/her employment with the Company, support Employee's promises not to compete with the Company, and not to solicit or interfere with the Company's relationships with its customers and employees as stated below in the rest of this Section 4, during his/her employment with the Company and for twelve (12) months following his/her separation from the Company ("the Restricted Period") regardless of the reason for the separation, within the Restricted Area, which is defined as the Louisiana parishes of Lafayette, Iberia, and Terrebonne and the Texas counties of Harris, Fort Bend, Montgomery, Brazoria, and Galveston, as well as any county/parish in which the Employee engaged in Company Business during the last twelve (12) months of Employee's employment with the Company.

**4.1 Non-Competition.** During the Restricted Period and in the Restricted Area, Employee will not engage in or carry on, directly or indirectly, a business similar to and competitive with the business of the Company ("Competing Business"). The business of the Company ("Company Business") specifically includes, but is not limited to, the business involved with the land operations, offshore operations, tubular sales, casing installation, completion installation, Blackhawk cementing and well construction, and specialty products divisions of the Company's business as well as any divisions in operation during Employee's employment with the Company, and includes the Company's current and planned (future) business, bids,

projects, contracts, and Company Relationships. Accordingly, during the Restricted Period and in the Restricted Area, Employee will not, directly or indirectly, own, manage, operate, join, become employed or engaged by, partner in, control, participate in, be connected with, loan money or sell or lease equipment or property to, or otherwise be affiliated with any Competing Business. For further clarity, Competing Business shall include the design, sales, marketing, fabrication, installation, provision, rental, repair, or manufacturing of products or services similar to or functionally equivalent to those designed, sold, installed, repaired, fabricated, manufactured, produced, provided, rented, marketed or licensed by the Company. The foregoing notwithstanding, Employee may own less than two percent (2%) of the outstanding stock of any class for a Competing Business which sells its stock on a national securities exchange and if Employee is not involved in the management of such Competing Business. Further, Competing Business and Restricted Area, as defined above, shall not include any geographic areas, services, or products of the Company in which Employee had no responsibility, no involvement, and about which he/she had no access to Confidential Information or Company Relationships during the last twelve (12) months of Employee's employment with the Company.

**4.2 Non-Solicitation/Non-Interference of Employees/Contractors.** During the Restricted Period and in the Restricted Area, Employee further agrees that he/she will not, directly or indirectly, interfere with the Company's relationship with, solicit or hire or otherwise encourage to change or leave their employment or contractor position with the Company, any person currently employed by or engaged as a contractor to the Company, and who was employed by or engaged by the Company during Employee's employment with the Company. This restriction shall not include any current or potential employee or contractor of the Company for whom Employee had no responsibility, no involvement, and about whom he/she had no access to Confidential Information during his/her employment with the Company. This restriction does not apply to postings and advertisements regarding job opportunities which are made available to the public and are not directed specifically toward Company employees or contractors.

**4.3 Non-Solicitation/Non-Interference of Customers, Vendors, Suppliers.** During the Restricted Period and in the Restricted Area, Employee further agrees that he/she will not, directly or indirectly, solicit business of a similar nature to that provided by the Company from any customer of the Company, nor encourage or otherwise cause any current or potential customer, vendor or supplier of the Company, including those for the Company's current or planned (future) projects, bids, or contracts, to cease or materially change their current or potential business relationship with the Company or otherwise attempt to interfere with these current or potential Company Relationships. For purposes of this Section, "current and potential customer, vendor or supplier" shall mean any entity or person with whom the Company has been pursuing a business relationship during Employee's employment with the Company, and any "potential business relationship" shall mean any relationship pursued by the Company during Employee's employment with the Company, including any current or planned (future) bids, projects or contracts. All of these relationships in the aggregate are defined as "Company Relationships." This restriction shall not include any Company Relationship for which Employee had no responsibility, no involvement, and about which he/she had no access to Confidential Information during his/her employment with the Company.

**5. Intellectual Property.** Employee assigns to the Company all right, title and interest Employee has or may acquire in and to any Intellectual Property that results from Employee's efforts, either alone or jointly with others, during the period of Employee's employment with the Company. "Intellectual Property" means any and all inventions, discoveries, developments, innovations, processes, designs, methods, technologies, formulae, models, research and development, patents, patent applications, trade secrets and other Confidential Information and works of authorship (including copyrightable works, copyrights and copyright applications), and improvements to any of the foregoing that, either alone or jointly with others: (a) result from any work performed on behalf of the Company, or from a research project

suggested by the Company; (b) relate in any way to the existing or contemplated business of the Company; or (c) result from the use of the Company's time, material, employees or facilities. Employee acknowledges and agrees that any work Employee performs for the Company during employment that constitutes copyrightable subject matter shall be considered a "work made for hire" as that term is defined in the United States Copyright Act (17 U.S.C. Section 101). Employee hereby ratifies and otherwise transfers and assigns to the Company, and waives and agrees never to assert, any and all rights to claim authorship, rights to object to any modification or other moral rights that Employee may have in or with respect to any Intellectual Property and/or works made for hire, even after termination of Employee's employment. Employee further agrees that if, in the course of providing services to the Company, Employee incorporates any intellectual property owned by Employee, the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, worldwide right and license to make, have made, copy, modify, use, distribute and sell such intellectual property or products incorporating such intellectual property of Employee. During and after Employee's employment, Employee will assist and cooperate with the Company for no additional compensation, but with the Company reimbursing any of Employee's necessary out of pocket expenses. Employee will complete and sign documents requested by the Company to acquire, transfer, maintain, perfect and enforce the Company's rights to the Intellectual Property, including patent, copyright, trade secret and other protections for the Company's Intellectual Property.

**6. Employee Acknowledgement of Need For Protections and Restrictions Promised; Modifications of Restrictions.**

Employee acknowledges and understands that his/her promises in this Agreement restrict some of his/her actions during and after employment with the Company. However, Employee acknowledges and agrees that he/she has or will receive sufficient consideration from the Company under this Agreement to justify such restrictions and that such restrictions are reasonable and necessary to protect the Company's legitimate business interests. Employee understands and agrees that the restrictions in this Agreement shall continue beyond the termination of Employee's employment, regardless of the reason for such termination.

**7. Remedies.** Employee acknowledges that money damages would not be a sufficient remedy for any breach of this Agreement by Employee, and that the Company shall be entitled to enforce this Agreement by specific performance and immediate injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Agreement, but shall be in addition to all remedies available to the Company at law, under common and statutory law, the Texas Uniform Trade Secrets Act, Louisiana Uniform Trade Secrets Act, the Defend Trade Secrets Act, under other agreements, or in equity, including, without limitation, the recovery of attorneys' fees incurred by the Company in enforcing this Agreement or otherwise protecting its rights, as well as damages caused by Employee and his/her agents involved in such breach.

**8. Notification to Subsequent Employers.** Employee further acknowledges that in order to enforce his/her obligations under this Agreement, the Company may need to notify subsequent actual or potential employers of Employee's obligations under this Agreement. Employee agrees to notify the Company of the identity of his/her employers for the Restricted Period before accepting a position with such employers, and Employee consents to the Company providing notification to these employers of Employee's ongoing obligations to the Company under this Agreement or under other applicable law. Notices to the Company should be made in a manner that provides a receipt of delivery and addressed to: Senior Vice-President Human Resources, 10260 Westheimer Road, Suite 700, Houston, Texas 77042.

**9. Tolling of Restricted Period.** The duration of the Restricted Period shall be tolled and suspended for any period that Employee is in violation of these covenants up to a period of one (1) year, unless such tolling is disallowed under applicable law.

**10. Return of Confidential Information and Company Property.** All written, electronic, or other data, materials, records and other documents made by, or coming into the possession or control of, Employee which contain or disclose Confidential Information shall be and remain the property of the Company. Upon request, and in any event, without request upon termination of Employee's employment with the Company for any reason, Employee shall promptly return, without deletion, copying or alteration, all written or electronic materials, data, information, records and any other property in Employee's possession or control, whether located on or off Company premises, which may concern the Company, its current or potential customers, vendors or suppliers, whether or not confidential or proprietary in nature.

**11. At-Will Employment.** Employee acknowledges and agrees that nothing in this Agreement is a guarantee or assurance of employment for any specific period of time. Rather, Employee understands that he/she is an at-will employee and that either Employee or the Company may terminate this at-will employment relationship at any time for any reason or no reason.

**12. No Interference with Rights.** Employee acknowledges and agrees that nothing in this Agreement is intended to, nor does it, interfere with or restrain any employee's right to share or discuss information regarding his/her wages, hours, or other terms and conditions of employment in the exercise of any rights provided by the National Labor Relations Act or other applicable laws. Further, Employee acknowledges and agrees that this Agreement is not intended to, nor does it, interfere with or restrain Employee's right to report unlawful actions to the Securities and Exchange Commission or any other law enforcement or administrative agency, or to participate in any such agency's investigation, or to engage in any whistleblower or other activity protected or required by law. Further, neither this Agreement nor any other agreement or policy of the Company shall impose civil or criminal liability under any trade secret law or otherwise prohibit Employee from the following disclosures: (a) disclosures of trade secrets made in confidence to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (b) disclosures of trade secrets made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal or per court order, or (c) disclosures of trade secrets by a plaintiff to his/her attorney in a lawsuit for retaliation for reporting a suspected violation of law and use of the trade secret information in the court proceeding, if any document containing the trade secrets is filed under seal and does not disclose the trade secrets, except pursuant to court order. Employee is not required to notify Company of these allowed reports or disclosures.

**13. Governing Law/Forum/Jury Waiver.** The Parties agree and acknowledge that this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws principles. With respect to any claim or dispute arising out of or related to this Agreement, the Parties hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas, unless another forum or venue is required by law. The Parties agree to waive a trial by jury of any or all issues arising under or connected with this Agreement, and consent to trial by the judge.

**14. No Duties to Other Employers.** Employee represents that he/she is not bound by the terms of any agreement with any previous employer or other party other than the Company to: (a) refrain from using or disclosing any information that would be necessary to and/or reasonably expected to be utilized by Employee in the course of the performance of his/her duties in the employ of the Company or (b) refrain from engaging in any business activity that would otherwise preclude Employee from performance of his/her duties in the employ of the Company. Employee further represents that Employee's performance of his/her duties does not and will not violate any agreement with any prior employer or third party. Employee agrees not to use or disclose during his/her employment with the Company any information which belongs to another entity or person.

**15. Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the Company Group, and automatically to any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of the Company Group by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's obligations under this Agreement are personal and such obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred by Employee without the prior written consent of the Company.

**16. Representations; Modifications; Other Agreements; Severability.** Employee acknowledges that he/she has not relied upon any representations or statements, written or oral, not set forth in this Agreement. This Agreement cannot be modified except in writing and signed by both parties. This Agreement supplements and does not limit or restrict or alter in any way any obligations that the Employee may have undertaken in other agreements with the Company Group or which apply to Employee under any applicable law, including but not limited to, the Texas Uniform Trade Secrets Act, the Louisiana Uniform Trade Secrets Act, and the Defend Trade Secrets Act. If any part of this Agreement is found to be unenforceable by a court of competent jurisdiction, then such unenforceable portion will be modified to be enforceable, or severed from this Agreement if it cannot be modified, and such modification or severance shall have no effect upon the remaining portions of the Agreement which shall remain in full force and effect.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**EMPLOYEE:**

\_\_\_\_\_  
EMPLOYEE SIGNATURE

\_\_\_\_\_  
Printed Name

**COMPANY:**

\_\_\_\_\_  
COMPANY REPRESENTATIVE SIGNATURE

\_\_\_\_\_  
COMPANY REPRESENTATIVE TITLE

\_\_\_\_\_  
Printed Name

**FRANK'S INTERNATIONAL N.V.**  
**U.S. EMPLOYEE RESTRICTED STOCK UNIT (RSU) AGREEMENT**

**THIS RESTRICTED STOCK UNIT AGREEMENT** including Exhibits A and B (this "**Agreement**") evidences an award made as of the \_\_\_\_\_ day of \_\_\_\_\_ (the "**Date of Grant**"), between **FRANK'S INTERNATIONAL N.V.**, a limited liability company organized in the Netherlands (the "**Company**"), and \_\_\_\_\_ (the "**Employee**"). The Company and Employee may be referred to individually as "Party," and/or collectively as the "Parties."

1. **The Grant.**

(a) Pursuant to the **FRANK'S INTERNATIONAL N.V. 2013 LONG-TERM INCENTIVE PLAN**, as the same may be amended from time to time (the "**Plan**"), and subject to the conditions set forth below, the Company hereby awards to Employee, effective as of the Date of Grant, an award consisting of an aggregate number of \_\_\_\_\_ restricted stock units (the "**Restricted Stock Units**" or "**RSUs**"), whereby each Restricted Stock Unit represents the right to receive one share of the Company's common stock, par value €0.01 per share ("**Common Stock**"), in accordance with the terms and conditions set forth herein and in the Plan (the "**Award**"). The Restricted Stock Units subject to this Agreement are hereby designated as Performance Awards for purposes of Section 8 of the Plan. The number of Restricted Stock Units subject to this Award, as described in this Section 1(a), is the "target" number of shares that may become vested and shall be adjusted based on the attainment of the Performance Criteria described in Section 1(b) below and on Exhibit A.

(b) The Award's performance period ("**Performance Period**") and Performance Criteria (the "**Performance Criteria**") are set forth in Exhibit A to this Agreement. The Performance Criteria has been established by the Compensation Committee of the Supervisory Board, which shall determine and certify whether such criteria have been satisfied.

(c) To the extent any provision of this Agreement conflicts with the expressly applicable terms of the Plan, those terms of the Plan shall control, and if necessary, the applicable terms of this Agreement shall be deemed amended so as to carry out the purpose and intent of the Plan.

2. **Definitions.** Capitalized terms used in this Agreement that are not defined below or in the body of this Agreement shall have the meanings given to them in the Plan. In addition to the terms defined in the body of this Agreement, the following capitalized words and terms shall have the meanings indicated below:

(a) "**Cause**" shall mean a determination by the Company or its employing affiliate (the "**Employer**") that Employee (i) has engaged in gross negligence, incompetence, or misconduct in the performance of his or her duties with respect to the Employer or any of its affiliates; (ii) has failed to materially perform Employee's duties and responsibilities to the Employer or any of its affiliates; (iii) has breached any material provision of this Agreement or any written agreement or corporate policy or code of conduct established by the Employer or any of its affiliates; (iv) has engaged in conduct that is, or could reasonably be expected to be, materially injurious to the Employer or any of its affiliates; (v) has committed an act of theft, fraud, embezzlement, misappropriation, or breach of a fiduciary duty to the Employer or any of its affiliates; or (vi) has been convicted of, pleaded no contest to, or received adjudicated probation or deferred adjudication in connection with a crime involving fraud, dishonesty, or moral turpitude or any felony (or a crime of similar import in a foreign jurisdiction).

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(b) “**Disability**” shall have the meaning set forth in any written employment or consulting agreement between the Employer and Employee. If Employee is not party to such an agreement that defines these terms, then for purposes of this Agreement, “Disability” shall mean Employee being unable to perform Employee’s duties or fulfill Employee’s obligations under the terms of his or her employment 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 six months as determined by the Employer and certified in writing by a competent medical physician selected by the Employer.

(c) “**Forfeiture Restrictions**” shall have the meaning specified in Section 3(a) hereof.

(d) “**Involuntary Termination**” shall mean a termination of Employee’s employment by the Company or an affiliate for a reason other than for Cause.

(e) “**Section 409A**” shall mean Section 409A of the Internal Revenue Code of 1986, as amended.

(f) “**CIC Severance Plan**” shall mean the Company’s U.S. Executive Change-In-Control Severance Plan adopted on May 20, 2015, and any amendments or restatements of this plan.

(g) “**Special Vesting Agreement**” means an agreement which permits Employee’s RSUs to continue vesting following Employee’s employment with the Company or with an affiliate, as applicable, in exchange for Employee’s strict compliance with designated post-termination conditions, as determined by the Committee pursuant to a written agreement executed at the time Employee’s termination of employment occurs. The Compensation Committee may, in its sole discretion, elect to limit coverage of a Special Vesting Agreement to only a portion of Employee’s RSUs.

3. **Restricted Stock Units.** By acceptance of this Restricted Stock Unit award, Employee agrees with respect thereto as follows:

(a) **Forfeiture Restrictions.** The Restricted Stock Units are restricted in that they may not be sold, assigned, pledged, exchanged, hypothecated, or otherwise alienated or transferred, encumbered, or disposed of, and in the event of termination of Employee’s employment or service with the Company for any reason other than death or Disability, or, to the extent provided in Section 3(c)(4) below, on account of an Involuntary Termination, Employee shall, for no consideration, forfeit to the Company all Restricted Stock Units to the extent then subject to the Forfeiture Restrictions. The prohibition against transfer and the obligation to forfeit and surrender Restricted Stock Units to the Company upon termination of employment or services as provided in this Section 3(a) are herein referred to as the “Forfeiture Restrictions.” The Forfeiture Restrictions shall be binding upon and enforceable against any transferee of Restricted Stock Units.

(b) **Lapse of Forfeiture Restrictions (Vesting).** Provided that: (i) Employee has been continuously employed by the Company from the Date of Grant through \_\_\_\_\_ (the scheduled “**Lapse (Vesting) Date**”), (ii) the Company attains the Performance Criteria as described on Exhibit A, and (iii) Employee is in compliance with Exhibit B and all other agreements or obligations to the Company, the Forfeiture Restrictions shall lapse, and the number of Restricted Stock Units as determined on Exhibit A shall become vested. Except as provided in Subsection (c) below, the Company will issue one share of Common Stock to Employee on the Lapse (Vesting) Date. Any Restricted Stock Units with respect to which the Forfeiture Restrictions do not lapse in accordance with this Section 3(b) (and any associated unvested dividend equivalents) shall be forfeited to the Company for no consideration as of the date of the termination of Employee’s employment with the Company.

(c) **Accelerated Vesting.**

(1) **Death.** If Employee's employment with the Company is terminated by reason of death, then the Forfeiture Restrictions shall lapse with respect to 100% of the Restricted Stock Units at the "target" level effective on the date such death occurs and Employee's RSUs shall be settled in the manner provided under Section 3(d) below.

(2) **Disability.** If Employee's employment with the Company is terminated by reason of Disability, then the Forfeiture Restrictions shall lapse with respect to 100% of the Restricted Stock Units at the "target level" effective as of the date of Employee's "separation from service" (as defined under the Section 409A) and Employee's RSU's shall be settled in the manner provided under Section 3(d) below on the date such awards were scheduled to become vested under Section 3(b) above.

(3) **Change in Control.** If a Change in Control occurs and Employee is a participant in the CIC Severance Plan, then the terms of Section 3 of such plan are hereby incorporated by reference into this Agreement.

( 4 ) **Involuntary Termination.** If Employee's employment with the Company is terminated due to an Involuntary Termination then, the Company may, in its complete discretion, elect to enter into a Special Vesting Agreement with Employee pursuant to which the Forfeiture Restrictions shall not lapse upon such termination of employment, but instead this Award shall continue to remain outstanding and Employee will be treated, solely for purposes of satisfying the requirements for a lapse of Forfeiture Restrictions under Section 3(b), as continuing in the employment of the Company throughout the period during which he/she continuously satisfies the obligations set forth in Exhibit B attached hereto and incorporated herein by reference as part of this Agreement. If the provisions of this Section 3(c)(4) apply with respect to Employee, the number of shares of Common Stock received under this Agreement shall be determined based on the Company's attainment of the Performance Criteria described on Exhibit A. As further condition to receiving any Special Vesting Agreement, Employee shall provide a release of all claims against the Company in a form acceptable to the Company, upon entering the Special Vesting Agreement, as well as upon the last date on which the Forfeiture Restrictions lapse, and also Employee must continuously comply with any other obligations to, or agreements with, the Company.

(d) **Payments.** Subject to compliance with all terms of this Agreement and Exhibit B as soon as reasonably practicable after (i) the scheduled Lapse (Vesting) Date with respect to the number of Restricted Stock Units as determined pursuant to Exhibit A (but in no event later than the end of the calendar year in which the Forfeiture Restrictions so lapse), or (ii) the date of Employee's death. The Company shall deliver the shares of Common Stock in book-entry form, with such legends or restrictions thereon as the Committee may determine to be necessary or advisable in order to comply with applicable securities laws. Employee shall complete and sign any documents and take any additional action that the Company may request to enable it to deliver shares of Common Stock on Employee's behalf. In the event that all or part of the Restricted Stock Units granted pursuant to this Agreement provides for a deferral of compensation within the meaning of the Section 409A, it is the general intention, but not the obligation, of the Company to design this Award to comply with the Section 409A and such Award should be interpreted accordingly. Notwithstanding anything to the contrary contained herein, in the event that Employee is a "specified employee" (as defined under the Section 409A) when Employee becomes entitled to a payment or settlement under the Award which is subject to the Section 409A on account of a "separation from service" (as defined under the Section 409A), to the extent required by the Code, such payment shall not occur until the date that is six months plus one day from the date of such separation from service. Any amount that is otherwise payable within the six-month period described herein will be aggregated and paid in a lump sum without

interest. Further, for purposes of the Section 409A, each payment or settlement of any portion of the Restricted Stock Units under this Agreement shall be treated as a separate payment of compensation.

(e) **Restrictive Covenants.** Employee acknowledges and recognizes the highly competitive nature of the businesses of the Company and accordingly agrees, in his/her capacity as an employee and equity holder in the Company, to the provisions of Exhibit B to this Agreement. Employee acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Exhibit B or any other similar obligations Employee has towards the Company under applicable law or other agreements (which includes any attempt to have any provision in Exhibit B or other similar obligations of Employee declared overbroad or unenforceable) (a "Restrictive Covenant Violation") would be available but inadequate and the Company would suffer irreparable damages as a result of such a Restrictive Covenant Violation. In recognition of this fact, Employee agrees that, in the event of a Restrictive Covenant Violation, in addition to any remedies available to the Company under law, including damages and attorneys' fees, remedies available the Company, without posting any bond, shall be to (i) cease making any dividend or other payments or providing any benefit otherwise required by this Agreement; (ii) terminate future vesting and cause forfeiture of all vested and unvested RSUs and common stock issued or issuable under this Agreement without consideration; (iii) cause forfeiture of the gross value of the common stock issued to Employee in the one year period prior to the Restrictive Covenant Violation (determined as of the date such stock was issued to Employee and using the Fair Market Value (as defined in the Plan) of the Company's common stock on that date); (iv) receive repayment of any cash payments made to Employee with respect to the RSUs during the prior twelve month period; (v) obtain a temporary restraining order, temporary or permanent injunction; or (vi) specific performance or any other equitable remedy which may then be available.

(f) **Corporate Acts.** The existence of the Restricted Stock Units shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization, or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange, or other disposition of all or any part of its assets or business, or any other corporate act or proceeding.

4. **Withholding of Tax.** To the extent that the receipt of the Restricted Stock Units (or any Common Stock or dividend equivalents related thereto) or the lapse of any Forfeiture Restrictions results in compensation, income or wages to Employee for federal, state, or local tax purposes, Employee shall deliver to the Company at the time of such receipt or lapse, as the case may be, such amount of money as the Company may require to meet its minimum obligation under applicable tax laws or regulations, and if Employee fails to do so (or if Employee instructs the Company to withhold cash or stock to meet such obligation), the Company shall withhold from any cash or stock remuneration (including withholding any shares of the Common Stock distributable to Employee under this Agreement) then or thereafter payable to Employee, any tax required to be withheld by reason of such resulting compensation income or wages. The Company is making no representation or warranty as to the tax consequences to Employee as a result of the receipt of the Restricted Stock Units, the treatment of dividend equivalents, the lapse of any Forfeiture Restrictions, or the forfeiture of any Restricted Stock Units pursuant to the Forfeiture Restrictions.

5. **No Shareholder Rights.** The Restricted Stock Units granted pursuant to this Agreement do not and shall not entitle Employee to any rights of a holder of Common Stock prior to the date that shares of Common Stock are issued to Employee in settlement of the Award. Employee's rights with respect to the Restricted Stock Units shall remain forfeitable as stated in this Agreement.

6. **Clawback**. Notwithstanding any provisions in the Agreement to the contrary, any compensation, payments, or benefits provided hereunder (or profits realized from the sale of the Common Stock delivered hereunder), whether in the form of cash or otherwise, shall be subject to a clawback (i) to the extent necessary to comply with the requirements of any applicable law, including but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, section 304 of the Sarbanes Oxley Act of 2002 or any regulations promulgated thereunder; (ii) to the extent provided by any policy or procedure adopted by the Company or any individual agreement between Employee and the Company; or (iii) pursuant to the terms of this Agreement in the event of a Restrictive Covenant Violation.

7. **Employment Relationship**. For purposes of this Agreement (except as otherwise provided in Section 3(c)(4) hereof), Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of either the Company or a Subsidiary. Without limiting the scope of the preceding sentence, it is specifically provided that Employee shall be considered to have terminated employment or service with the Company at the time of the termination of the “Subsidiary” status of the entity or other organization that employs or engages Employee. Nothing in the adoption of the Plan, nor the award of the Restricted Stock Units thereunder pursuant to this Agreement, shall confer upon Employee the right to continued employment by or service with the Company or affect in any way the right of the Company to terminate such employment or service at any time. Unless otherwise provided in a written employment or consulting agreement or by applicable law, Employee’s employment by or service with the Company shall be on an at-will basis, and the employment or service relationship may be terminated at any time by either Employee or the Company for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment or service, and the cause of such termination, shall be determined by the Committee or its delegate, in its sole discretion, and its determination shall be final.

8. **Notices**. Any notices or other communications provided for in this Agreement shall be sufficient if in writing. In the case of Employee, such notices or communications shall be effectively delivered if hand delivered to Employee at Employee’s principal place of employment or if sent by registered or certified mail or other mail delivery method that provides a receipt, to Employee at the last address Employee has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered if sent by registered or certified mail or other mail delivery service that provides a receipt, to the General Counsel of Company at its principal executive offices.

9. **Entire Agreement; Amendment**. This Agreement (including Exhibit B) and the documents incorporated by reference herein replace and merge all previous agreements and discussions relating to the same or similar subject matters between Employee and the Company and constitute the entire agreement between Employee and the Company with respect to the subject matter of this Agreement, except as otherwise provided herein. This Agreement including Exhibit B may not be modified in any respect by any verbal statement, representation or agreement made by any employee, officer, or representative of the Company or by any written agreement unless signed by an officer of the Company who is expressly authorized by the Company to execute such document. The foregoing notwithstanding, this Agreement does not modify or replace in any way any obligations Employee has to the Company or its related entities, under any agreement or applicable law, for non-disclosure, non-competition, non-solicitation, or non-interference.

10. **Severability**. If any part of this Agreement including Exhibit B is found to be unenforceable by a court of competent jurisdiction, then such unenforceable portion will be modified to be enforceable, or severed from this Agreement if it cannot be modified, and such modification or severance shall have no effect upon the remaining portions of this Agreement and Exhibit B which shall remain in full force and effect.

11. **No Waiver.** No failure by either Party at any time to give notice of any breach by the other Party of, or to require compliance with, any condition or provision of this Agreement shall (i) be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time or (ii) preclude insistence upon strict compliance in the future.

12. **Binding Effect; Survival.** The provisions of Sections 3(e) and 6 and Exhibit B shall survive the lapse of the Forfeiture Restrictions without forfeiture. This Agreement and Exhibit B shall be binding upon and shall inure to the benefit of the Company, and automatically to any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of the Company by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's obligations under this Agreement and Exhibit B are personal and such obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred by Employee without the prior written consent of the Company.

13. **Governing Law/Forum/Jury Waiver.** The Parties agree and acknowledge that this Agreement and Exhibit B shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws principles. With respect to any claim or dispute arising out of or related to this Agreement or Exhibit B, the Parties hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas, unless another forum or venue is required by law. Both the Company and Employee agree to waive a trial by jury of any or all issues arising under or connected with this Agreement or Exhibit B, and consent to trial by the judge.

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first above written.

**FRANK'S INTERNATIONAL N.V.**

By: \_\_\_\_\_  
Name:  
Title:

**EMPLOYEE**

\_\_\_\_\_  
Print Name:

**Exhibit A**

**Performance Period and Criteria**

**Performance Period:** January 1, 20\_\_ to December 31, 20\_\_

**First Achievement Period:** January 1, 20\_\_ to December 31, 20\_\_

**Second Achievement Period:** January 1, 20\_\_ to December 31, 20\_\_

**Third Achievement Period:** January 1, 20\_\_ to December 31, 20\_\_

**Performance Criteria:**

Payment under this Award is determined based on relative performance using Total Stockholder Return (“*TSR*”). No portion of this Award will be earned if the Company’s performance during the Performance Period is below the threshold level of the Performance Criteria as described below. Any determination of performance under this Agreement shall be determined by the Committee in accordance with the Plan’s terms; provided, however, that the Committee may, in its sole discretion, elect to increase or decrease the Payout Percentage determined below.

The Company’s TSR shall be as measured against the TSR of the SPDR® S&P® Oil & Gas Equipment and Services ETF (XES) (the “*Comparator Group*”). Such comparison will be based on a percentile approach as detailed below with any payment based on linear interpolation if performance is between threshold and maximum levels. TSR for the Company and the Comparator Group to be calculated separately for the First Achievement Period, Second Achievement Period and Third Achievement Period resulting in a weighted average payout at the end of the Performance Period (using a 30-day averaging period for the first 30 calendar days and the last 30 calendar days of each annual achievement period to mitigate the effect of stock price volatility). TSR calculation to assume reinvestment of dividends.

<b><u>Level</u></b>	<b><u>Percentile Rank vs. Comparator Group</u></b>	<b><u>Payout Percentage*</u></b>
<b>Maximum</b>	90th Percentile and above	200% of Target Level
<b>Target</b>	75th percentile	150% of Target Level
<b>Target</b>	50th percentile	100% of Target Level
<b>Threshold</b>	25th percentile	50% of Target Level
	Below 25th percentile	0%

\* Based on the Target Level for the TSR Based Award set forth on the first page of this Agreement.

## EXHIBIT B

### U.S. EMPLOYEE CONFIDENTIALITY AND RESTRICTED COVENANT AGREEMENT

This U.S. Employee Confidentiality and Restrictive Covenant Agreement (“Agreement”) is made and entered as of the \_\_\_\_ day of \_\_\_\_\_, between \_\_\_\_\_ (“Employee”) and Frank’s International, LLC and Blackhawk Specialty Tools, LLC (the “Company”) and for the benefit of the Company, Frank’s International N.V. and their subsidiary and affiliated companies (collectively referred to as the “Company Group”). The Company and Employee may be referred to individually as “Party,” and/or collectively as the “Parties.” The Parties agree as follows:

**1. Company Promise to Provide Access to Company Group Confidential Information and Goodwill.** Employee recognizes that the Company Group has made significant investments of time and resources in establishing substantial relationships with the Company Group’s employees and Company Relationships (defined below) including existing and prospective customers, suppliers, contractors, sub-contractors, and other business relationships and developing the Company Group’s reputation and goodwill. Employee further recognizes that the Company Group has further invested valuable time and resources to obtain and develop and protect the Company Group’s proprietary business information, trade secrets, know-how, and other Confidential Information (defined below). The protection of Confidential Information and Company Relationships is vital to the interests of the Company Group.

1.1 In exchange for Employee’s promises made in this Agreement, the Company promises to provide to Employee, consistent with Employee’s position, access to certain information regarding the business and activities of the Company Group. Employee acknowledges that he/she will have access to confidential information, training and related goodwill (“Confidential Information,” defined more fully below) as well as Company Relationships (defined below) while employed by the Company, including without limitation, any information and goodwill obtained by Employee during the course of Employee’s employment with the Company, concerning the business or affairs of the Company Group or that of its customers, suppliers, contractors, subcontractors, agents or representatives.

1.2 Confidential Information includes any information about the Company Group that has not been intentionally publicly disclosed by the Company Group. Confidential Information likewise includes all information provided to the Company Group by its customers, suppliers, contractors, subcontractors, business partners, joint venturers, agents or representatives which has not been intentionally publicly disclosed by these persons or entities. While Employee is obligated to comply with all non-disclosure requirements in place with the Company Group’s customers, suppliers, contractors, subcontractors, business partners, joint venturers, agents or representatives, the obligations under this Agreement are broader and apply to any non-public information the Company Group or Employee receives from or has access to regarding these third parties, regardless of whether the Company Group is contractually obligated to a third party to keep such information confidential. Confidential Information includes, without limitation, information relating to the services, products, policies, practices, pricing, costs, suppliers, vendors, methods, processes, techniques, finances, administration, employees, devices, trade secrets and operations of the Company Group, any inventions, modifications, discoveries, designs, developments, improvements, processes, software programs, work of authorship, documentation, formula, data, technique, technology, know-how, secret or intellectual property right by any Company Group employee, Company Group customers or potential customers, marketing, sales activities, development programs, promotions, manufacturing, machining, drawings, future and current plans regarding business and customers, e-mails, notes,

manufacturing documents, engineering documents, formulas, financial statements, bids, project reports, handling documentation, machinery and compositions, all financial data relating to the Company Group, business methods, accounting and tracking methods, books, inventory handling procedure, credit, credit procedures, indebtedness, financing procedures, investments, trading, shipping, production, processing, welding, fabricating, assembling, renting, domestic and foreign operations, customer and vendor and supplier lists, data storage in any medium (electronic or hard copy) contact information, lab reports, lab work, and any data or materials used in and created during the development of any of the aforementioned materials or processes.

**2. Employee Promise Not to Disclose Confidential Information.** Employee acknowledges that this Confidential Information is confidential, proprietary, not known outside of the Company Group's business, valuable, special and/or a unique asset of the Company Group which belongs to the Company Group and gives the Company Group a competitive advantage. If this Confidential Information were disclosed to third parties or used by third parties and/or Employee, such disclosure or use would seriously and irreparably damage the Company Group and cause the loss of certain competitive advantages. Employee promises he/she has not and will not disclose in any way, or use for Employee's own benefit or for the benefit of anyone besides the Company Group, the Confidential Information described above and obtained by Employee as part of his/her employment with the Company. Employee acknowledges that this promise of non-disclosure and non-use continues indefinitely and specifically does not expire at the end of Employee's employment with the Company. This Section does not apply to or in any way restrict or impede Employee from any communications with government agencies as stated below, or complying with any applicable law or court order, or exercising whistleblower or other protected non-waivable legal rights.

**3. Non-Disparagement.** Employee agrees that he/she shall not at any time make, publish, or communicate to any person or entity or in any public forum, any defamatory or disparaging remarks, comments, or statements concerning the Company Group or its businesses, business practices, or any of its employees or officers, and existing and prospective customers, suppliers, investors and other associated third parties. This Section does not apply to or in any way restrict or impede Employee from any communications with government agencies as stated below, or complying with any applicable law or court order, or exercising whistleblower or other protected non-waivable legal rights.

**4. Non-Competition/Non-Solicitation/Non-Interference.** Employee acknowledges that the highly competitive nature of the Company's business, Employee's position with the Company, and the Confidential Information, Company Relationships, training, and goodwill provided to Employee during his/her employment with the Company, support Employee's promises not to compete with the Company, and not to solicit or interfere with the Company's relationships with its customers and employees as stated below in the rest of this Section 4, during his/her employment with the Company and for twelve (12) months following his/her separation from the Company ("the Restricted Period") regardless of the reason for the separation, within the Restricted Area, which is defined as the Louisiana parishes of Lafayette, Iberia, and Terrebonne and the Texas counties of Harris, Fort Bend, Montgomery, Brazoria, and Galveston, as well as any county/parish in which the Employee engaged in Company Business during the last twelve (12) months of Employee's employment with the Company.

**4.1 Non-Competition.** During the Restricted Period and in the Restricted Area, Employee will not engage in or carry on, directly or indirectly, a business similar to and competitive with the business of the Company ("Competing Business"). The business of the Company ("Company Business") specifically includes, but is not limited to, the business involved with the land operations, offshore operations, tubular sales, casing installation, completion installation, Blackhawk cementing and well construction, and specialty products divisions of the Company's business as well as any divisions in operation during Employee's

employment with the Company, and includes the Company's current and planned (future) business, bids, projects, contracts, and Company Relationships. Accordingly, during the Restricted Period and in the Restricted Area, Employee will not, directly or indirectly, own, manage, operate, join, become employed or engaged by, partner in, control, participate in, be connected with, loan money or sell or lease equipment or property to, or otherwise be affiliated with any Competing Business. For further clarity, Competing Business shall include the design, sales, marketing, fabrication, installation, provision, rental, repair, or manufacturing of products or services similar to or functionally equivalent to those designed, sold, installed, repaired, fabricated, manufactured, produced, provided, rented, marketed or licensed by the Company. The foregoing notwithstanding, Employee may own less than two percent (2%) of the outstanding stock of any class for a Competing Business which sells its stock on a national securities exchange and if Employee is not involved in the management of such Competing Business. Further, Competing Business and Restricted Area, as defined above, shall not include any geographic areas, services, or products of the Company in which Employee had no responsibility, no involvement, and about which he/she had no access to Confidential Information or Company Relationships during the last twelve (12) months of Employee's employment with the Company.

**4.2 Non-Solicitation/Non-Interference of Employees/Contractors.** During the Restricted Period and in the Restricted Area, Employee further agrees that he/she will not, directly or indirectly, interfere with the Company's relationship with, solicit or hire or otherwise encourage to change or leave their employment or contractor position with the Company, any person currently employed by or engaged as a contractor to the Company, and who was employed by or engaged by the Company during Employee's employment with the Company. This restriction shall not include any current or potential employee or contractor of the Company for whom Employee had no responsibility, no involvement, and about whom he/she had no access to Confidential Information during his/her employment with the Company. This restriction does not apply to postings and advertisements regarding job opportunities which are made available to the public and are not directed specifically toward Company employees or contractors.

**4.3 Non-Solicitation/Non-Interference of Customers, Vendors, Suppliers.** During the Restricted Period and in the Restricted Area, Employee further agrees that he/she will not, directly or indirectly, solicit business of a similar nature to that provided by the Company from any customer of the Company, nor encourage or otherwise cause any current or potential customer, vendor or supplier of the Company, including those for the Company's current or planned (future) projects, bids, or contracts, to cease or materially change their current or potential business relationship with the Company or otherwise attempt to interfere with these current or potential Company Relationships. For purposes of this Section, "current and potential customer, vendor or supplier" shall mean any entity or person with whom the Company has been pursuing a business relationship during Employee's employment with the Company, and any "potential business relationship" shall mean any relationship pursued by the Company during Employee's employment with the Company, including any current or planned (future) bids, projects or contracts. All of these relationships in the aggregate are defined as "Company Relationships." This restriction shall not include any Company Relationship for which Employee had no responsibility, no involvement, and about which he/she had no access to Confidential Information during his/her employment with the Company.

**5. Intellectual Property.** Employee assigns to the Company all right, title and interest Employee has or may acquire in and to any Intellectual Property that results from Employee's efforts, either alone or jointly with others, during the period of Employee's employment with the Company. "Intellectual Property" means any and all inventions, discoveries, developments, innovations, processes, designs, methods, technologies, formulae, models, research and development, patents, patent applications, trade secrets and other Confidential Information and works of authorship (including copyrightable works, copyrights and copyright applications), and improvements to any of the foregoing that, either alone or jointly

with others: (a) result from any work performed on behalf of the Company, or from a research project suggested by the Company; (b) relate in any way to the existing or contemplated business of the Company; or (c) result from the use of the Company's time, material, employees or facilities. Employee acknowledges and agrees that any work Employee performs for the Company during employment that constitutes copyrightable subject matter shall be considered a "work made for hire" as that term is defined in the United States Copyright Act (17 U.S.C. Section 101). Employee hereby ratifies and otherwise transfers and assigns to the Company, and waives and agrees never to assert, any and all rights to claim authorship, rights to object to any modification or other moral rights that Employee may have in or with respect to any Intellectual Property and/or works made for hire, even after termination of Employee's employment. Employee further agrees that if, in the course of providing services to the Company, Employee incorporates any intellectual property owned by Employee, the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, worldwide right and license to make, have made, copy, modify, use, distribute and sell such intellectual property or products incorporating such intellectual property of Employee. During and after Employee's employment, Employee will assist and cooperate with the Company for no additional compensation, but with the Company reimbursing any of Employee's necessary out of pocket expenses. Employee will complete and sign documents requested by the Company to acquire, transfer, maintain, perfect and enforce the Company's rights to the Intellectual Property, including patent, copyright, trade secret and other protections for the Company's Intellectual Property.

**6. Employee Acknowledgement of Need For Protections and Restrictions Promised; Modifications of Restrictions.**

Employee acknowledges and understands that his/her promises in this Agreement restrict some of his/her actions during and after employment with the Company. However, Employee acknowledges and agrees that he/she has or will receive sufficient consideration from the Company under this Agreement to justify such restrictions and that such restrictions are reasonable and necessary to protect the Company's legitimate business interests. Employee understands and agrees that the restrictions in this Agreement shall continue beyond the termination of Employee's employment, regardless of the reason for such termination.

**7. Remedies.** Employee acknowledges that money damages would not be a sufficient remedy for any breach of this Agreement by Employee, and that the Company shall be entitled to enforce this Agreement by specific performance and immediate injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Agreement, but shall be in addition to all remedies available to the Company at law, under common and statutory law, the Texas Uniform Trade Secrets Act, Louisiana Uniform Trade Secrets Act, the Defend Trade Secrets Act, under other agreements, or in equity, including, without limitation, the recovery of attorneys' fees incurred by the Company in enforcing this Agreement or otherwise protecting its rights, as well as damages caused by Employee and his/her agents involved in such breach.

**8. Notification to Subsequent Employers.** Employee further acknowledges that in order to enforce his/her obligations under this Agreement, the Company may need to notify subsequent actual or potential employers of Employee's obligations under this Agreement. Employee agrees to notify the Company of the identity of his/her employers for the Restricted Period before accepting a position with such employers, and Employee consents to the Company providing notification to these employers of Employee's ongoing obligations to the Company under this Agreement or under other applicable law. Notices to the Company should be made in a manner that provides a receipt of delivery and addressed to: Senior Vice-President Human Resources, 10260 Westheimer Road, Suite 700, Houston, Texas 77042.

**9. Tolling of Restricted Period.** The duration of the Restricted Period shall be tolled and suspended for any period that Employee is in violation of these covenants up to a period of one (1) year, unless such tolling is disallowed under applicable law.

**10. Return of Confidential Information and Company Property.** All written, electronic, or other data, materials, records and other documents made by, or coming into the possession or control of, Employee which contain or disclose Confidential Information shall be and remain the property of the Company. Upon request, and in any event, without request upon termination of Employee's employment with the Company for any reason, Employee shall promptly return, without deletion, copying or alteration, all written or electronic materials, data, information, records and any other property in Employee's possession or control, whether located on or off Company premises, which may concern the Company, its current or potential customers, vendors or suppliers, whether or not confidential or proprietary in nature.

**11. At-Will Employment.** Employee acknowledges and agrees that nothing in this Agreement is a guarantee or assurance of employment for any specific period of time. Rather, Employee understands that he/she is an at-will employee and that either Employee or the Company may terminate this at-will employment relationship at any time for any reason or no reason.

**12. No Interference with Rights.** Employee acknowledges and agrees that nothing in this Agreement is intended to, nor does it, interfere with or restrain any employee's right to share or discuss information regarding his/her wages, hours, or other terms and conditions of employment in the exercise of any rights provided by the National Labor Relations Act or other applicable laws. Further, Employee acknowledges and agrees that this Agreement is not intended to, nor does it, interfere with or restrain Employee's right to report unlawful actions to the Securities and Exchange Commission or any other law enforcement or administrative agency, or to participate in any such agency's investigation, or to engage in any whistleblower or other activity protected or required by law. Further, neither this Agreement nor any other agreement or policy of the Company shall impose civil or criminal liability under any trade secret law or otherwise prohibit Employee from the following disclosures: (a) disclosures of trade secrets made in confidence to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (b) disclosures of trade secrets made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal or per court order, or (c) disclosures of trade secrets by a plaintiff to his/her attorney in a lawsuit for retaliation for reporting a suspected violation of law and use of the trade secret information in the court proceeding, if any document containing the trade secrets is filed under seal and does not disclose the trade secrets, except pursuant to court order. Employee is not required to notify Company of these allowed reports or disclosures.

**13. Governing Law/Forum/Jury Waiver.** The Parties agree and acknowledge that this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws principles. With respect to any claim or dispute arising out of or related to this Agreement, the Parties hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas, unless another forum or venue is required by law. The Parties agree to waive a trial by jury of any or all issues arising under or connected with this Agreement, and consent to trial by the judge.

**14. No Duties to Other Employers.** Employee represents that he/she is not bound by the terms of any agreement with any previous employer or other party other than the Company to: (a) refrain from using or disclosing any information that would be necessary to and/or reasonably expected to be utilized by Employee in the course of the performance of his/her duties in the employ of the Company or (b) refrain from engaging in any business activity that would otherwise preclude Employee from performance of his/

her duties in the employ of the Company. Employee further represents that Employee's performance of his/her duties does not and will not violate any agreement with any prior employer or third party. Employee agrees not to use or disclose during his/her employment with the Company any information which belongs to another entity or person.

**15. Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the Company Group, and automatically to any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of the Company Group by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's obligations under this Agreement are personal and such obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred by Employee without the prior written consent of the Company.

**16. Representations; Modifications; Other Agreements; Severability.** Employee acknowledges that he/she has not relied upon any representations or statements, written or oral, not set forth in this Agreement. This Agreement cannot be modified except in writing and signed by both parties. This Agreement supplements and does not limit or restrict or alter in any way any obligations that the Employee may have undertaken in other agreements with the Company Group or which apply to Employee under any applicable law, including but not limited to, the Texas Uniform Trade Secrets Act, the Louisiana Uniform Trade Secrets Act, and the Defend Trade Secrets Act. If any part of this Agreement is found to be unenforceable by a court of competent jurisdiction, then such unenforceable portion will be modified to be enforceable, or severed from this Agreement if it cannot be modified, and such modification or severance shall have no effect upon the remaining portions of the Agreement which shall remain in full force and effect.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**EMPLOYEE:**

\_\_\_\_\_  
EMPLOYEE SIGNATURE

\_\_\_\_\_  
Printed Name

**COMPANY:**

\_\_\_\_\_  
COMPANY REPRESENTATIVE SIGNATURE

\_\_\_\_\_  
COMPANY REPRESENTATIVE TITLE

\_\_\_\_\_  
Printed Name

## Frank's International N.V. Recoupment Policy

This Recoupment Policy (this "**Policy**") has been adopted by the Compensation Committee (the "**Committee**") of the Board of the Supervisory Directors (the "**Board**") of Frank's International N.V. (the "**Company**") effective as of October 30, 2018 (the "**Effective Date**").

### 1. Recovery of Certain Incentive-Based Compensation:

#### (a) Due to a Financial Restatement:

- (i) In the event there is a Restatement, regardless of individual fault, the Committee may, in its sole discretion, take such action as it deems appropriate to recover from any Executive Officer any or all of the Excess Incentive-Based Compensation that the Executive Officer was awarded during the Recoupment Period.
- (ii) For the avoidance of doubt, the Committee may seek a recoupment of Excess Incentive Compensation under subparagraph (i) above from an Executive Officer regardless of whether the Executive Officer engaged in the misconduct that caused or substantially caused the need for the material restatement. Nevertheless, the Committee may, in its sole discretion, take into account the degree of the Executive Officer's culpability in determining whether and to what extent to seek recoupment of such Executive Officer's Excess Incentive-Based Compensation.
- (iii) For the avoidance of doubt, a restatement of the Company's financial statements due to a change in accounting policies or principles shall not be deemed a Restatement for purposes of this Policy.

(b) **Due to Misconduct:** In the event that the Committee determines that an Executive Officer or a former Executive Officer has committed an act constituting Misconduct, the Committee may, in its sole discretion, take remedial action as it deems appropriate against such Executive Officer or Former Executive Officer. Remedial action may include, but is not limited to, the Committee taking action to recover any or all of the Incentive-Based Compensation that such Executive Officer was awarded during the Misconduct Recoupment Period.

(c) **Application of Effective Date:** This Policy shall solely apply to (i) Incentive Compensation that has been granted, vested, paid, or settled after the Effective Date, or (ii) Incentive Compensation that specifically references the possibility of recovery and/or forfeiture under a clawback or compensation recoupment policy to be adopted by the Company.

(d) **Recovery Not Mutually Exclusive:** The Company's right to recover certain Incentive-Based Compensation and Excess Incentive-Based Compensation set forth in subsections (a) and (b) above shall not be mutually exclusive.

2. **Recoupment Process.** If the Committee determines to seek a recovery of all or some portion of an affected Executive Officer's Excess Incentive-Based Compensation and/or Incentive-Based Compensation (collectively and individually referred to as "**Recovery Amount**"), as applicable, pursuant to this Policy, the Committee may seek recovery under any one of the following methods or combination of both as described in subsections (a) and (b) below:

- (a) **Demand Letter to Affected Executive Officer.** The Committee may collect the Recovery Amount by sending the affected Executive Officer a written demand for repayment of the Recovery Amount. If the Executive Officer does not, within a reasonable period of time, either (i) tender repayment of the Recovery Amount in response to such demand, or (ii) make other arrangements for repayment of the Recovery Amount that are acceptable to the Committee, the Committee may seek a court order against the Executive Officer for such repayment.
- (b) **Offset Recovery Amount Against Future Compensation of the Affected Executive Officer .** To the maximum extent permitted by applicable law, the Committee may collect the Recovery Amount by offsetting, in whole or in part, the Recovery Amount against future compensation of the affected Executive Officer in accordance with the following:
  - (i) reducing any future Incentive Compensation payments that are otherwise due and owing the affected Executive Officer by an amount not to exceed the Recovery Amount (by way of example, the Recovery Amount is offset through the reduction of amounts earned but not yet paid under a short or long-term performance award);
  - (ii) reducing any future severance payments or benefits that are otherwise due and owing the affected Executive Officer by an amount not to exceed the Recovery Amount; or
  - (iii) effecting the cancellation of vested or unvested equity and cash awards previously awarded the affected Executive Officer and the recoupment of any shares issued in connection with such awards or the proceeds from the sale of such shares; provided that the value of such awards may not exceed the Recovery Amount.

Notwithstanding the foregoing, the Committee shall not offset any amount that constitutes a form of deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended, to the extent such offset would result in a prohibited acceleration of payment of such deferred compensation, or any pension or retirement benefit if such offset would violate Section 206(d)(1) of the Employee Retirement Income Security Act of 1974, as amended.

3. **Due Process:** Before the Committee determines to seek recovery pursuant to this Policy, it shall provide, where feasible, the Executive Officer with written notice and the opportunity to be heard, at a meeting of the Committee (which may be in-person or telephonic, as determined by the Committee).

4. **Administration of Policy:** The Committee and the Board may at any time in their sole discretion supplement or amend any provision of this Policy in any respect, repeal this Policy in whole or part or adopt a new policy relating to recovery of Incentive-Based Compensation with such terms as the Committee and the Board determine in their sole discretion to be appropriate. The Committee and the Board have the exclusive power and authority to administer this Policy, including, without limitation, the right and power to interpret the provisions of this Policy and to make all determinations deemed necessary or advisable for the administration of this Policy, including, without limitation, any determination as to: (i) whether a Triggering Event has occurred; (ii) whether Misconduct has occurred; (iii) whether any current or former Executive Officer has engaged in an act constituting Misconduct; (iv) what constitutes Excess Incentive-Based Compensation and Incentive-Based Compensation; (v) what is the value of any form of Incentive Compensation that is offset, in whole or in part, against the Recovery Amount; and (vi) whether, and to what extent, Excess Incentive-Based Compensation and Incentive-Based Compensation shall be subject to recoupment under the Policy. All such actions, interpretations, and determinations that are taken or made by the Committee and the Board in good faith will be final, conclusive, and binding.
5. **Nonexclusive Remedy:** The exercise by the Board or Committee of any rights pursuant to this Policy shall be without prejudice to any other rights that the Company may have with respect to any Executive Officer subject to this Policy (it being understood that the Company maintains the rights that it has at law to cancel or recover any compensation or award if applicable law or circumstances so warrant).
6. **Definitions:** For purposes of this Policy, the following terms have the meanings indicated, in addition to the other terms defined herein:
- (a) **“Excess Incentive-Based Compensation”** means the amount of Incentive-Based Compensation awarded by the Company to an Executive Officer on or after the Effective Date in excess of what would have been awarded to that Executive Officer under the circumstances reflected by the accounting restatement, but in no event will such Excess Incentive-Based Compensation exceed the total amount of such Incentive-Based Compensation realized by that Executive Officer on or after the Effective Date.
  - (b) **“Executive Officer”** means any current or former employee of the Company who is or was an “officer” as defined in Section 16(a) of the Securities Exchange Act of 1934.
  - (c) **“Incentive-Based Compensation”** means, with respect to an Executive Officer: (i) the amount of (or payment or value received with respect to) the Executive Officer’s annual incentive awards under the Company’s annual cash incentive compensation program; (ii) the stock options, stock appreciation rights, restricted stock units, restricted stock, and performance-based equity or equity-based awards (or any amount attributable to such awards) paid or granted to the Executive Officer under the Company’s long-term incentive equity program; and (iii) any other incentive-based compensation subject to performance conditions (including, but not limited, to Company financial metrics, Company share price and individual performance metrics) paid or granted to an Executive Officer pursuant to an “incentive plan,” as such term is defined in Item 402(a)(6)(iii) of Regulation S-K under the Exchange Act.

- (d) **“Misconduct”** means a determination by the independent Directors of the Board that an Executive Officer (i) has engaged in gross negligence, incompetence, or misconduct in the performance of the Executive Officer’s duties with respect to the Company; (ii) has failed to materially perform his or her duties and responsibilities to the Company; (iii) has breached any written agreement with the Company; (iv) has breached any corporate policy or code of conduct established by the Company; (v) has engaged in conduct that is, or could reasonably be expected to be, materially injurious to the Company, in terms of business operations, financial results, or reputation; (vi) has committed an act of theft, fraud, embezzlement, misappropriation, or breach of a fiduciary duty to the Company; or (vii) has been convicted of, pleaded no contest to, or received adjudicated probation or deferred adjudication in connection with a crime involving fraud, dishonesty, or moral turpitude or any felony (or a crime of similar import in a foreign jurisdiction). For purposes of this definition, “Company” shall include any subsidiary or affiliate of the Company.
- (e) **“Misconduct Recoupment Period”** means the period beginning thirty-six (36) months prior to the date of Misconduct and ending thirty-six (36) months after the date of Misconduct.
- (f) **“Recoupment Period”** means thirty-six (36) months preceding the date on which the Company is required to prepare a Restatement.
- (g) **“Restatement”** means an accounting restatement which (i) occurs on or after the Effective Date, and (ii) results from the Company’s material noncompliance with any financial reporting requirement under the U.S. federal securities laws.
- (h) **“Triggering Event”** means any event that would permit the Committee to recover any Excess Incentive-Based Compensation or Incentive Based Compensation, as applicable, subsections 1(a) and 1(b) of this Policy.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)  
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Michael C. Kearney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this “report”) of Frank’s International N.V. (the “registrant”);
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: November 6, 2018

/s/ Michael C. Kearney

Michael C. Kearney

Chairman, President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)  
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Kyle McClure, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this “report”) of Frank’s International N.V. (the “registrant”);
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: November 6, 2018

/s/ Kyle McClure

Kyle McClure

Senior Vice President and Chief Financial Officer

**CERTIFICATION OF  
CHIEF EXECUTIVE OFFICER UNDER SECTION 906 OF THE  
SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350**

In connection with the Quarterly Report of Frank's International N.V. (the "Company") on Form 10-Q for the period ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael C. Kearney, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 6, 2018

/s/ Michael C. Kearney

Michael C. Kearney

Chairman, President and Chief Executive Officer

**CERTIFICATION OF  
CHIEF FINANCIAL OFFICER UNDER SECTION 906 OF THE  
SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350**

In connection with the Quarterly Report of Frank's International N.V. (the "Company") on Form 10-Q for the period ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kyle McClure, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 6, 2018

/s/ Kyle McClure

Kyle McClure

Senior Vice President and Chief Financial Officer

